

Section 151 Finance cleared on:	10/03/23
Legal cleared on	27/02/23
Executive Director cleared on:	28/02/23
Cabinet Member cleared on:	28/02/23

SURREY COUNTY COUNCIL

CABINET

DATE: 28 MARCH 2023



REPORT OF CABINET MEMBER: MATT FURNISS, CABINET MEMBER FOR TRANSPORT INFRASTRUCTURE AND GROWTH

LEAD OFFICER: KATIE STEWART, EXECUTIVE DIRECTOR ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE

SUBJECT: FUTURE BUS NETWORK REVIEW AND LOCAL BUS SERVICE INVESTMENT

ORGANISATION STRATEGY PRIORITY AREA: Growing A Sustainable Economy So Everyone Can Benefit/ Tackling Health Inequality/Enabling A Greener Future/Empowerin Communities

Purpose of the Report:

Local bus services are vital in supporting residents to access essential services, such as employment, education and training, health care and essential food shopping, whilst helping the economy of Surrey to thrive and ensure no one is left behind. Buses are also key to our work in encouraging residents to travel more sustainably, helping to reduce carbon emissions. Increasing sustainable travel alongside the Council's investment in zero emission buses and minibuses will help deliver the carbon reduction targets set out in the Climate Change Delivery Plan. The Council is committed to supporting local bus services and has increased revenue support for service delivery and capital investment to improve their operational effectiveness and efficiency.

However, common with many economic sectors, bus services have been impacted by the Covid pandemic which has resulted in lower levels of patronage and changed travel patterns. In response, the Council has been working hard with the bus industry to build back bus patronage.

In order to be able to access the Covid bus recovery funding, being used to support depressed patronage and revenues, there was a Government requirement for Local Transport Authorities (LTAs) to review bus services in their area to ensure they are financially sustainable once the recovery funding ends. Therefore, in mid-2022 a financial review of all bus services was completed in collaboration with our bus operators. This provided information on bus services that were performing and recovering well, those that were getting close to pre-Covid levels, along with those unlikely to ever return to pre-Covid levels of patronage and financial performance. For the bus services in the latter category, alternative options have been developed, including the potential to withdraw sections of route or whole routes. This review was completed against a backdrop of rising costs (fuel, wages, maintenance, etc) that is pushing up operating costs and contract prices, underlining the need to assess all local bus routes and plan for change across the whole bus network in preparation for Government recovery funding ending.

In considering the need to adapt and change certain services, our planned investment to grow patronage and our plans to expand Digital Demand Responsive Transport (DDRT), we have completed a comprehensive consultation exercise that enabled residents and stakeholders to have their say on the following:

- Investment in infrastructure;
- Maintaining or changing bus services to better reflect use;
- More Digital Demand Responsive Transport services.

This report sets out the process and outcome of the consultation, with more than 2,600 responses received, which has been used to shape the recommendations and way forward, including a refresh of our Bus Service Improvement Plan (BSIP) to be completed in May 2023.

Recommendations:

It is recommended that Cabinet:

1. Note the response to the public and stakeholder consultation.
2. Agree the proposed changes to the public bus network as set out in **Annex B**, with service changes to be implemented at the start of the new academic year in September 2023.
3. Agree the recommended priority areas for capital investment to support bus services and help grow bus patronage.
4. Agree the recommended areas for expansion of new Digital Demand Responsive Transport services in 2023 as set out in **Annex C**.
5. Agree the process and timescales for updating the Bus Service Improvement Plan and Enhanced Partnership Scheme and agree that the approval and submission of the Bus Service Improvement Plan to Government be delegated to the Director of Highways and Transport in consultation with the Cabinet Member for Transport, Infrastructure and Growth.
6. Agree that the decision to award contracts for local bus services and Digital Demand Responsive Transport services is delegated to the Director, Highways and Transport, following discussion with the Cabinet Member for Transport, Infrastructure and Growth, and the Council's Section 151 Officer.

Reason for Recommendations:

The public consultation has helped shape the bus service changes proposed in **Annex B**. These changes are necessary to ensure the network is financially sustainable and has responded to changed travel patterns, particularly in areas where passenger numbers are unlikely to ever recover to pre-pandemic levels. The financial review of bus services also meets the Department for Transport's (DfT) requirement for accessing the extension of Covid bus recovery funding. The Council is committed to supporting local bus services and has increased revenue support for service delivery and capital investment to improve their operational effectiveness and efficiency.

The public consultation has also helped shape our proposed investment in bus infrastructure. It demonstrated that resident support for investment in buses is high, showing that people value bus services and that targeting investment will aid patronage growth.

The Council's previous BSIP, published in 2021, set out a desire to expand our DDRT offer, learning from the successful Mole Valley Connect scheme funded from the DfT's Rural Mobility Fund. This report sets out proposals for new DDRT schemes shaped by

consultation feedback, including the need to promote new schemes and the flexibility they offer residents.

All LTAs are required to review their BSIPs annually. The DfT agreed that the Council's BSIP refresh could be undertaken once the public consultation was complete, enabling the views and suggestions of residents and stakeholders to be included in the BSIP review. This report sets out the BSIP refresh process, with a submission to date at the end of May 2023.

Following the Future Bus Network Review and the consideration of consultation responses, coupled with ongoing dialogue with bus operators, the Council needs to tender the services proposed for change, along with retender of a number of contracts that were extended during the pandemic. New contracts will be awarded following a procurement process in line with the requirements of the Public Contracts Regulations 2015 and the Council's Procurement and Contracts Standing Orders.

Executive Summary:

Background

1. On 25 October 2022 Cabinet agreed that a public and stakeholder consultation on proposals for a future financially sustainable bus network that will be fit for the future and more responsive to transformed travel patterns following the Covid19 pandemic be undertaken. In summary the consultation asked residents and stakeholder for their views on:
 - a. Investment in bus services and supporting infrastructure where we can demonstrably grow bus patronage;
 - b. Reshaping and right sizing other bus services to better reflect reduced and forecast levels of patronage;
 - c. Accelerating the introduction of more Digital Demand Responsive Transport (DDRT) to offer a more innovative, flexible and improved public transport offer to residents.
2. The consultation ran from 3 November 2022 and closed on 6 January 2023. Residents were able to respond via an online survey or a hard copy survey, with several qualitative sessions held with key groups to get further insight and to help shape our decision making. We also targeted younger people to try and elicit their views using various social media channels.
3. This report sets out the process and outcome of the consultation, with more than 2,600 responses received. It has been used to shape the recommendations and way forward and will help with a refresh of our Bus Service Improvement Plan (BSIP) to be completed in May 2023. This report details the responses to the consultation and how it has shaped the proposals being presented to Cabinet for agreement. The full consultation analysis is attached at **Annex A**.

Public and Stakeholder Consultation Summary

4. The consultation approach was outlined and approved by Cabinet on 25 October 2022. It ran from Thursday 3 November 2022 until Friday 6 January 2023.
5. Members in areas affected by proposals were written to advising them of the consultation. There was also an all-Member briefing on the Future Bus Network Review held in advance of the go-live on 3 October 2022.

6. The consultation saw a good response from the public and stakeholders. The consultation analysis in **Annex A** gives full details of what activity happened, which saw nearly 2,600 survey responses, 115 emails, 1 letter and 1 petition sent in response.
7. Along with survey material, there was a concerted effort to engage via social media. Facebook, Twitter and Instagram posts reached 15,000 residents, with Nextdoor social media posts reaching over 260,000 residents.
8. Social media was specifically targeted at people aged 13-24 who have been historically underrepresented in consultations on transport. Three spot polls on Instagram, again, saw a good reach with nearly 12,000 young people taking part.
9. In regard to the petition, this was sent to the consultation email address. However, it was not lodged as a formal petition on the Council's website. The petition was entitled 'Save Our Bus 17', with 363 signatures of support. As the petition was submitted without a lead petitioner the Council has no clear way of knowing whether the signatories to the petition had given consent to share their personal information. Therefore, we must treat this response as a letter with 363 signatures of support, rather than as a formal petition and for this reason, the petition is not appended to this report.
10. Feedback on investment options, as mentioned later in the report, saw strong support. Where changes were proposed for bus services, this saw opposition from people who currently use the services or see the services as important for others.
11. The consultation responses on the proposed expansion of DDRT were more mixed. It is thought this is because many people do not currently use Demand Response Transport or Community Transport or, potentially, they did not know that this type of transport offer exists. On this basis, more targeted local engagement will take place in areas where new DDRT services are proposed to boost awareness and understanding of what these services are, how they operate, how they are different from a timetabled bus and what they can offer the community in terms of an alternative transport offer.
12. The Communities, Environment and Highways Select Committee received a report on the consultation, proposals and recommendations on 20 March 2023. Feedback from the Select Committee will be presented to Cabinet at their meeting on 28 March for their consideration and review.
13. The consultation was also considered at the first meeting of the Enhanced Partnership (EP) Stakeholder Reference Group (SRG), held on 21 December 2022. Along with highlighting the consultation, some issues raised at the SRG were common to those seen in the consultation response. Further work with the SRG to help shape proposals for improving bus services is ongoing through the EP.

Changes to Local Bus Services

14. In the consultation, and in response to financial pressure on the bus industry, residents were presented with proposals to reduce or potentially remove 24 bus services. Whilst these account for less than 1% of all trips made on buses in Surrey,

the consultation response highlighted the importance of these services to those people who currently use them.

15. **Annex B** shows the individual proposals set out in the consultation and alongside each one what is now being presented for agreement by Cabinet as Recommendation 2. In most instances, services were proposed for reduction rather than withdrawal. The potential to overlap or replace these services with new DDRT is also included.

Investment in Bus Infrastructure

16. The consultation demonstrated there is a high degree of support for investment in bus infrastructure to improve services. Over 70% of respondents stated they agreed or strongly agreed with the proposals for investment. Over 60% of respondents stated this would make them use buses more frequently.
17. It should be noted that many respondents did not suggest new bus priority infrastructure in their local area, rather that generally, there should be more and more frequent bus routes than currently offered. Most suggestions for new or extended bus timetables were focused on more rural parts of the county. It is likely that people responding from more rural areas and those asking for more investment were also responding to the proposals on service reductions in those same areas.
18. However, whilst the National Bus Strategy (Bus Back Better) asks LTAs to aspire to have more and more frequent bus services, investing in more rural areas is not considered the best use of targeted capital spend, which should be used to maximise patronage growth. Government has a stated focus of using capital investment where passenger growth is most likely to be delivered and sustained in the long term.
19. Other comments from residents and stakeholders included wanting a focus on providing more Real Time Passenger Information (RTPI) in more locations and improving information accessibility to aid resident decision making.
20. Another suggestion was to make more information available online for people to use prior to and during their journey. Bus data is already 'open source' available via the Bus Open Data Service (BODS) system. This means timetables and route maps are already available on many websites and mobile apps. Google Maps, Traveline, UK Bus Checker and others all have travel search options, timetables, routes and live bus information. This sits alongside some bus operators having their own mobile apps making travel information, and in some cases ticketing, available to bus users. The Council will seek to enhance our current RTPI system whilst highlighting and promoting the commercial options that already exist, for example, via the Council's website.
21. Given the need to deliver against the aspirations of the National Bus Strategy and our BSIP, the priority areas for further investment to support passenger growth agreement were reaffirmed during the consultation. They are as follows:
 - a. East Surrey Bus Priority Programme with a focus on Redhill and Reigate
 - b. Guildford and Woking (including surrounding environment) Bus Priority Programme
 - c. Blackwater Valley Bus Priority Programme

- d. Wider Elmbridge Bus Priority Programme
- e. North-West Surrey Bus Priority Programme, including Access to Heathrow

Expanding Digital Demand Responsive Transport

22. The Council's BSIP included an aspiration to build on the Mole Valley Connect DDRT scheme implemented following a successful Rural Mobility Fund bid to Government. DfT feedback on the BSIP suggested we provide a better definition of future DDRT schemes. The Council has listened to this advice and used the experience of the Mole Valley Connect service and other community transport schemes to plan future DDRT projects. This has been supported by a consultancy study looking at potential new DDRT areas and operating model options.
23. **Annex C** summarises the DDRT proposals for introduction in September 2023 and potentially beyond, subject to performance and required funding. The 2023 proposals will be tendered to the commercial market, with bidders strongly encouraged to bid to operate multiple DDRT schemes where practical, rather than have a multiplicity of providers. The proposals cover some of the most rural areas of Surrey, including where there is no current public transport offer. There are four new DDRT schemes, plus two DDRT enhancements proposed for 2023, offering a more flexible transport option than any timetabled bus service that may be available. **Annex C** also sets out the plan for further DDRT schemes over the coming years, where more work is required to develop these schemes to a point where they can be shaped ready to tender and funding secured for their delivery. It is proposed to move toward a blended mix of provision with traditional commercial and contracted local bus services, alongside an increased number of DDRT services, thus offering a more flexible transport solution to all residents, with DDRT focussing on the more rural parts of the county. The further expansion of DDRT beyond September 2023 will be subject to future Cabinet consideration and decision.
24. The contract value of the existing local bus services to be incorporated into the new DDRT services planned for September 2023 will help fund the exciting new DDRT schemes. However, additional funding is required as, subject to tender prices, DDRT will be available to residents 7am to 7pm Monday to Saturday, whereas the existing services offer one or two return shopper's journeys on a couple of days a week. Subject to tender prices being received, it is forecast that additional funding of circa £700,000 pa will be required for the proposed 2023 DDRT expansion.
25. DDRT services will be available to a far wider community than the existing shopper's services. DDRT will offer many more residents enhanced travel opportunities and provide an alternative to the private car. Although the estimated additional cost could be perceived as high, DDRT will create the opportunity for more residents to use bus services and to travel more sustainably, helping to reduce carbon emissions and deliver the carbon reduction targets set out in the Climate Change Delivery Plan.
26. The performance of the proposed new DDRT services as set out in Annex C will be closely monitored and a review will take place after 12 months of operation to establish the benefits and impacts.

20 and Under Half Fare Concessionary Travel Scheme

27. The National Bus Strategy highlights the need for LTAs and bus operators to consider fares and ticketing measures to address cost as a barrier to bus use. In responding to this challenge, the Council has developed an exciting new scheme to support all residents aged 20 and under by offering a half fare on buses across Surrey. This will support children and young people by reducing transport costs, thus helping them access school, college and their first job more affordably, whilst also enhancing independence. It will encourage residents aged 20 and under to use the bus more often and for longer in life. It also aims to reduce the need for the purchase of a first car and consequential emissions.
28. The 20 & Under Half Fare Concessionary Travel Scheme (20HFCTS) will operate via a smartcard that will be available to Surrey residents aged five to 20. The smartcard will include photo identification to help prevent fraudulent use. Smartcards will provide key data to identify patterns of use i.e., when and where passes are being used, helping the Council to develop and enhance the scheme overtime.
29. The 20HFCTS will replace the current Student Fare Card offer. The latter scheme gives those in full time education a discounted fare on their travel to and from school or college. The new 20HFCTS covers ages five to 20 inclusive and is a more generous offer as it can be used at any time and not restricted to trips for education.
30. The 20HFCTS smartcard will be issued free to qualifying residents, whereas the Student Fare Card costs £25 per year. Issuing a free 20HFCTS smartcard will maximise take up of the scheme by younger residents as it removes the initial cost barrier to entry. This will create a projected additional annual cost in the range £201,000 to £375,000, subject to actual uptake of the scheme, the implications of which are set out in the financial and value for money implications section of this report.
31. The cost of administering the 20HFCTS, including the reimbursement to bus operators for revenue foregone, will be met by the Council through existing Environment, Transport and Infrastructure budgets.
32. The 20HFCTS was planned to launch at the beginning of April, coinciding with the end of the DfT's national £2 flat fare scheme. However, on 17 February the DfT announced an extension of their scheme to the end of June 2023. Whilst this extension is welcome, it requires the Council to consider the optimum time to launch the new 20HFCTS offer. Careful consideration is required as not all bus operators opted to participate in the DfT's £2 flat fare scheme. To determine the best way forward, the Council consulted local bus operators to obtain their views on when best to launch the new 20HFCTS. Discussions included launching 20HFCTS in April as planned with all bus operators or just those not participating in the £2 flat fare scheme or deferring a countywide launch until June coinciding with the new end date of the £2 flat fare scheme.
33. After careful consideration, a decision has been taken to launch the new 20HFCTS at the end of June 2023. This will target the Council's investment at all residents aged 20 and under once the £2 flat fare scheme ends. This decision will enable a greater level of publicity and promotion to be put in place in readiness for the launch. It will

also ensure countywide coverage for the 20HFCTS, avoid potential confusion between competing offers and ensure the scheme lands right first time.

34. The EP Board is scheduled to consider and agree the detail of the 20HFCTS in April, noting the scheme is set to run initially for three years.

Bus Service Improvement Plan Refresh

35. The National Bus Strategy requires LTAs to review and, where necessary, update their BSIPs annually. BSIPs should be published by the end of October each year and submitted to Government for review. However, the Council agreed with the DfT that it would not rush to review its BSIP for October 2022 given the planned Future Bus Network Review consultation. Nationally, the DfT's request that LTAs complete a financial review of bus service sustainability in their area was in part to manage the end of the Covid bus recovery funding. It aimed to stop LTAs from simply cutting bus services when Government recovery funding ceased. The Council's own review has provided time to work on priority areas for investment and DDRT expansion, whilst using the findings from the consultation to support our planned BSIP refresh.
36. The BSIP refresh also needs to recognise the Council has thus far been unsuccessful in securing Government BSIP funding. In addition, it needs to reflect that Local Transport Plan 4 (LTP4) is now adopted policy, which will assist in creating a sustainable transport network, with buses core to achieving that ambition.
37. The consultation and planned review of the EP Scheme highlights a number of new initiatives that can be included, with others to be merged or amended. **Table 1** below sets out the activities and indicative timescales to develop a revised BSIP and new EP Scheme.

Table 1 – Developing a Revised BSIP and New EP Scheme

Activity	Key Dates
Enhanced Partnership Stakeholder Reference Group Meeting	21 December 2022
Future Bus Network Consultation - concludes	6 January 2023
Enhanced Partnership Board Meeting	17 January 2023
Recommendations report to Cabinet on the Future Bus Network review	28 March 2023
BSIP review	March to May 2023
Enhanced Partnership Board 'Special Meeting' – consideration of 20 and Under Half Fare Concessionary Travel Scheme	April 2023
BSIP (revised) submitted to DfT	End of May 2023
Enhanced Partnership Scheme updated	May 2023
Enhanced Partnership Stakeholder Reference Group Meeting	May 2023
Enhanced Partnership Scheme statutory consultation	June 2023
Enhanced Partnership Board Meeting	End of June 2023
New Enhanced Partnership Scheme adopted	July 2023

Risk Management and Implications:

38. The Council has been acutely aware of the financial risks of reduced bus patronage and depressed income as a result of the Covid pandemic and changed travel patterns over the last couple of years. The impacts apply to both the Council's local bus contracts and to services that are run commercially. Allied to this is the

recognition that the DfT bus recovery funding used to support bus services would cease, which now has a new end date of June 2023.

39. A critical risk for all LTAs and bus operators over the last twelve months has been rising cost pressures. This is causing industry-wide problems with the cost of fuel, competition for drivers with other industries, and the increased cost of materials for maintenance. This is happening at the same time as travel patterns have changed and patronage recovery to pre-pandemic levels is slower than we might like on some services and in some areas. Patronage on some bus routes may never fully recover.
40. In addition, the DfT has intimated that a long-awaited consultation will be held on the future of Bus Service Operator Grant (BSOG), formally Fuel Duty Rebate. BSOG is essentially a rebate on fuel duty paid and is allocated to LTAs for contracted services and direct to operators for commercial services. The value of BSOG to the Council is £1.125m per annum, a figure set for many years based on a DfT formula. Whilst the details of the future DfT consultation are awaited, it is highly likely that the outcome will be LTAs receiving far less BSOG, or potentially none at all in future.
41. The Future Bus Network Review was proactive in recognising all these risks and funding pressures. The Council's proposals described in this report provide the basis for a financially sustainable plan for future service delivery. The Council's approach fully recognises the DfT's request to ensure bus networks are financially sustainable once recovery funding ends. This all serves to highlight why the Council completed the Future Bus Network Review and is taking action to right-size the network for the future.
42. Taking no action would likely have resulted in commercial bus service de-registrations and Council contracts being handed back as being financially unsustainable. By working with the bus industry through the Future Bus Network Review we have maximised outcomes and minimised risk for residents and the Council.
43. Whilst the proposed tender exercise will determine the costs of reprocuring routes, early and ongoing engagement with providers aims to stimulate a positive response from the commercial market.
44. The Council's EP approach has also had a positive impact. It enables the Council to influence more effectively all bus services, including the commercial services which dominate in terms of overall passenger numbers, noting that pre-pandemic, three in every four bus passenger journeys were undertaken on commercially operated bus services. That said, with no Government funding award to date, the ability to deliver against the aspirations of the Council's BSIP are more limited, although the Council aims to bid for BSIP funding if and when future opportunities are announced. Through the BSIP refresh a review of targets to allow for a more reasonable level of patronage growth taking account of the absence of Government funding will be completed. The BSIP refresh will also take account of the public and stakeholder consultation responses, helping to shape the exploration of new initiatives.

Financial and Value for Money Implications:
--

45. The Council's BSIP aspirations still presents a significant opportunity for investment in a wide range of initiatives to improve public transport, including more zero

emission buses, bus priority measures, a higher quality passenger waiting environment, better passenger information and service enhancements. Packaged together, all of these will help build patronage back to pre-covid levels and beyond. This will be the basis of our future bids for BSIP funding to the DfT, driven through the EP.

46. The Council has already agreed to invest significant sums of its own to improve the public transport offer to residents, working in partnership with the bus industry. This includes a £49m investment to support our Climate Change Delivery Plan objectives through an investment in more zero emission buses and minibuses, more RTPI and more bus improvement and priority measures. Outside of BSIP funding, this investment is unparalleled in any other English LTA. It serves to demonstrate the Council's unwavering commitment to improving public transport, thus supporting the modal hierarchy approach set out within our recently adopted LTP4.
47. Existing budgets have meant that the Council has been able to maintain the current bus network whilst we consulted with residents and stakeholders, using the outputs to help shape decisions. This has ensured that changes can be carefully planned and effectively introduced in preparation for the start of the new academic year in September 2023. The comprehensive public and stakeholder consultation meant the Council was transparent and engaged in a meaningful way. Securing the views and opinions of residents and stakeholders has shaped proposed changes to local bus services, future capital investment plans and new DDRT schemes. It clearly demonstrates that we gave residents and stakeholders the opportunity to have their say and we have listened.
48. As noted above, the Council recognised some time ago that there would be pressures on the local bus network likely requiring additional financial support given changing travel patterns, alongside a mixed and still developing pattern of patronage recovery post Covid. This is a national issue. The Council's foresight and action taken to provide additional local bus funding has secured network stability, enabling residents to continue to travel by bus to access key services.
49. The outcome of local bus and DDRT tendering in the Spring, the future volume of concessionary journeys (and thus operator reimbursement for revenue foregone) and the actual take up and use of the 20HFCTS are all uncertain due to future inflation, cost pressures, patterns of travel behaviour, bus patronage recovery trends, etc. However, the Council is committed to funding and delivering the proposed local bus changes and contract retendering planned for 2023/24 as set out in this report, alongside the infrastructure investment that will support the operation of local bus services and grow patronage, which received large support in the public and stakeholder consultation. The Council is also committed to funding and delivering the new and expanded DDRT services for 2023/24 as set out in **Annex C**. Finally the Council is committed to introducing the 20HFCTS with no smartcard/pass application fee. A free pass will remove a potential financial barrier to young people and their families, maximising the opportunity for young people to use bus services right across Surrey.
50. Overall, subject to tender prices being received, the budget is forecast as sufficient to fund the planned changes and improvements in 2023/24, noting that some changes will be a part year effect. The budget includes some available funding that is 'one off', noting that Covid bus recovery grant has been extended until the end of June 2023.

Further analysis will be required once tendering is complete to fully assess the financial implication for 2024/25 and onward, however, the changes recommended in this report are expected to lead to higher costs in future years, which may require changes to the Council's transport budget. The potential for additional DDRT beyond that planned for 2023/24 and the implementation of other initiatives, for example, those contained in the Council's BSIP, will be subject to future reports and decisions.

Section 151 Officer Commentary:

51. Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
52. The Council's Medium Term Financial Strategy includes provision for the investment in bus infrastructure set out in this report, and makes allowance for the estimated financial impact of changes in costs and bus usage. In addition to this, the recommendations include a number of other enhancements to bus services which are likely to have ongoing financial implications for the Council. As set out in the report the exact cost of these services is currently unclear, being subject to a competitive procurement process at a time when wider market costs and future bus usage remain uncertain. It is likely that the introduction of new measures such as DDRT and the 20HFCTS scheme will require longer term changes to the Council's transport budget. This will become clearer once services have been tendered for, and once the Council understands the take up of newly introduced measures. The Council will need to consider the impact on future transport budgets alongside its other priorities as it reviews its Medium Term Financial Strategy.

Legal Implications – Monitoring Officer:

53. The Bus Services Act 2017 introduced new models of partnership working into the Transport Act 2000.
54. The Government's National Bus Strategy introduced a requirement to adopt such partnership working.
55. Cabinet in October 2022 agreed the Enhanced Partnership Plan for Surrey, inclusive of proposed governance arrangements to start on 3 November 2022.
56. LTAs and operators were required by Government to jointly produce a local BSIP to help deliver the National Bus Strategy.

57. The DfT published guidance to local authorities and bus operators in May 2021. The guidance provides that BSIPs should be regularly reviewed to ensure they remain relevant and that the plans within it are working as intended.

Equalities and Diversity:

58. As part of developing the proposals an Equality Impact Assessment was drafted. This has been updated following the end of the consultation process. The full EIA can be found as **Annex D** to this report.
59. The EIA process has highlighted both positive and negative impacts. Feedback to the consultation specifically highlighted negative impacts for those people facing reduced or withdrawn bus services. Positive impacts will mainly be focused in those areas prioritised for investment.
60. There are mitigating options for people to change travel habits to deal with changing timetables, either by using alternative bus routes that may be in the area or demand responsive or community transport. However, feedback also highlighted how these may prove to be an inappropriate mitigation to losing or having a bus service reduced. This negative impact will be most keenly felt based on peoples' age and whether they have a disability.
61. Some school children, their parents and carers may face having to find alternative travel for trips where school services are removed as part of wider changes to the bus services in the consultation.
62. People with mobility issues may be less able to get to an alternative bus stop, where alternative routes are available. It was also raised that people with learning difficulties and/or autism, particularly if they have received Independent Travel Training, will be less able to amend their travel habits to deal with changes to or withdrawing bus services.
63. This may be mitigated, for some people who have received Independent Travel Training, with further support and training to use a DDRT service to make their journeys. This is being explored with officers in Children, Families and Life Long Learning to help identify people who may benefit and then provide support and training prior to DDRT being introduced. However, it is recognised that this may not be suitable for everyone affected.
64. Whilst negative impacts were most commonly raised in relation to DDRT proposals, there is some support for expanding DDRT. Having these services can provide more flexible transport across a wider area. For example, some bus services may only run during specific times, or on certain days of the week. New DDRT services would likely operate similar to the Mole Valley Connect Service that offers travel between 7 a.m. and 7 p.m. Monday to Saturday. However, as mentioned previously, a new DDRT service may not be suitable for everyone.
65. As well as assessing impacts on people with Protected Characteristics, a report looking at some of the areas covered by proposals and where they score on the Indices of Multiple Deprivation has been completed. This is **Annex E** to this report.

The findings of this report have been considered in developing the final proposals for change as set out in **Annex B** and **Annexe C**.

66. The report, **Annex E**, highlighted where changes to local transport may impact residents in the following wards:

- Hooley, Merstham and Netherne,
- Stoke (Guildford),
- Tattenham Court and Preston,
- Court (Epsom and Ewell),
- Redhill West and Wray Common,
- Horley Central and South and
- Ash Wharf

67. In most instances the proposals highlight reducing bus services rather than withdrawal, but this is not the case in all the areas. The desk-based report, alongside the EIA, highlights where disabled people and those on low incomes, may be more impacted by proposed changes. Some of the impact can be mitigated, to some degree, through the introduction of DRT as a more flexible transport alternative.

68. As part of the ongoing work of the Enhanced Partnership, there will be continuing engagement with stakeholders, including continued work focussed through the EP Stakeholder Reference Group and with specific stakeholder groups covering disability, learning difficulties and autism. As well as these groups, officers will use the Youth Councils in Surrey to engage with younger people, who are often underrepresented in engagement on transport despite efforts to target them as a 'hard to reach' group.

Other Implications:

69. The BSIP looks to make improvements across all aspects of bus and demand responsive transport. Making investment in priority areas will support passenger confidence and lead to patronage growth. Public transport is also an enabler of economic growth and sustainability aspirations.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	Any looked after children will have access to the 20 and Under Half Fare Concessionary Travel Scheme, providing discounted travel where cost may be a barrier to using public transport.
Safeguarding responsibilities for vulnerable children and adults	As mentioned in the EIA, there will be impacts on people maintaining independence where bus routes are changed or withdrawn. Also, mitigations may not be available or usable by everyone who previously used the timetable bus service.
Environmental sustainability	Reducing transport emissions is a key aspect to ensure sustainable transport options and help the county meet its net-zero targets.
Compliance against net-zero emissions target and future climate compatibility/resilience	A Passenger Transport study in 2017 showed that modern diesel buses produced lower Oxides of Nitrogen emissions than modern diesel cars.

	Alongside a roll out of new zero emission buses and minibuses, plus investment in bus priority measures we can create a virtuous cycle for bus use and encourage more people to use public transport for more of their journeys.
Public Health	Where locations have an air quality issue, and in conjunction with other measures, reducing transport emissions will help mitigate health issues.

What Happens Next:

70. Following the decision made by Cabinet:
- a. The tendering exercise for local bus contracts will start, with contract awards planned for May/June 2023
 - b. The tendering exercise for DDRT services will start, with contract awards planned for May/June 2023
 - c. The BSIP and Enhanced Partnership Scheme will be updated as set out on Table 1 of this report
 - d. Targeted resident and bus user engagement will take place in areas where new DDRT is to be introduced
 - e. Information on changes to bus services will be communicated to Members and residents during June to September
 - f. Changes to bus services and new DDRT services will start from 1 September 2023

Report Author:

Keith McKain, Programme Manager National Bus Strategy.

Paul Millin, Assistant Director, Strategic Transport (07968 832 573)

Consulted:

All Surrey County Councillors

All Borough and District Councils

Parish and Town Councils

Disability groups, specifically: the Disability Empowerment Networks and the Disability Empowerment Networks Chairs, the Surrey Coalition of Disabled People, ATLAS Surrey and the Surrey Vision Access Group

Surrey transport user groups

Surrey residents

Annexes:

ANNEX A - Consultation Feedback Analysis

ANNEX B - Changes to Bus Services Summary

ANNEX C - Expansion of DDRT Summary

ANNEX D - Equality Impact Assessment

ANNEX E - Report on Areas Affected and Indices of Multiple Deprivation

Sources/background papers:

Bus Back Better – An Enhanced Partnership for Surrey, 25 October 2022

National Bus Strategy: Enhanced Partnership for Surrey – Cabinet Member Report, 26 April 2022.

National Bus Strategy: A Bus Service Improvement Plan for Surrey – Cabinet Report, 26 October 2021.

Bus Back Better: National Bus Strategy for England – published by the Department for Transport, 15 March 2021.

This page is intentionally left blank