



Committee and Date

Cabinet

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Item

Public

Shropshire Council Supported Bus Services - Budget 2019/20

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1. Summary

In the context of the overall financial context, Shropshire Council faces complex and challenging decisions in the short and medium term as financial pressures increase on the budget for the provision of subsidised local bus services and Shrewsbury Park & Ride. The Council's financial strategy for 2019/2020 includes a budget reduction of £405,000 in public transport and £50,000 for Shrewsbury Park & Ride which will have an impact on the bus services provided by the Council.

Many of the people who use public transport in Shropshire are reliant upon these services to undertake their daily lives, a lack of transport especially in rural areas is known to contribute to social exclusion and this can particularly impact on the elderly, those with a disability, the young or families who are on low incomes, this has been clearly highlighted in the consultation responses received.

The Council currently allocate £1,809,955 per annum supporting non-commercially viable bus routes and £258,456 per annum on the Shrewsbury Park & Ride service. It should be noted that due to demographic pressures 'Concessionary Fares' are increasing year on year which creates additional ongoing increased pressure on the Councils Public Transport Budget. Given that concessionary travel is a national scheme determined by Government, this is effectively uncontrollable expenditure that the Council has to fund from within its own local budgets. The cost of Concessionary Travel for 2018/19 amounted to £3,498,570. In broad terms concessionary travel accounts for 80% of all bus use in Shropshire. This is an annually increasing cost pressure on the Council.

Subsequent to the budget decision, the Council undertook a six-week consultation regarding the 2019/20 budget proposals to reduce the Council's expenditure on the Local Bus services it subsidises and the Shrewsbury Park & Ride Service, which commenced on 25 March 2019 and ended on 6 May 2019.

The consultation document was circulated to various stakeholders including Town & Parish Councils, schools and colleges, voluntary and community sectors, transport operators, the Shropshire Bus User Group and Shrewsbury Business Improvement District. The consultation and community response has been well documented in the media, social media and representations made with councillors in their local areas.

In the majority of cases the proposals within the consultation on local bus services represented a reduced timetable on each of the services the Council supports, details of the impact on individual services is shown in the table within the consultation letter marked Appendix A.

Since the development of the original budget proposals further work is developing in producing a Rural and Community Strategy and in the area of climate change and carbon reduction. These strategies will help shape and influence future transport policy.

The purpose of this report is to summarise the feedback received from the various consultees and stakeholders and to approve amended recommendations as laid out in 2.1 and 2.2 below.

Thus this report seeks not to reduce or remove services as consulted (£405,000) but where the consultation feedback has highlighted genuine efficiencies or cost pressures those will be focused upon. Thus the full savings reduction of £405,000 will not be achieved.

2. Recommendations

2.1 Local Bus Services

- i. To not implement the reduction or removal of services as consulted, but where the consultation feedback has highlighted genuine efficiencies or cost pressures those will be focussed upon.
- ii. To amend the Council's 2019/20 budget and reduce the planned reduction in the public transport budget from £405,000 to £180,000.

2.2 Shrewsbury Park & Ride

- i. To approve the proposal as consulted upon on Shrewsbury Park & Ride fare increase from £1.60 to £2.00 return.
- ii. To remove the Shrewsbury Park & Ride group ticket option, which currently allows up to 5 passengers to travel for the price of £2.50 (return).
- iii. To remove the discretionary discount for concessionary fares on Shrewsbury Park & Ride, that allows passengers on presentation of their concessionary card to travel for a 50% discount.
- iv. To agree the proposed changes to Park & Ride become effective from 1 September 2019

2.3 Future Public Transport Services

- i. To commence a review of the current operation and future opportunities for, improved public transport services across Shropshire, including reviewing concessionary travel and the opportunities for bus franchising.

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3. Risk Assessment and Opportunities Appraisal

- 3.1 The ESIIA related to the amended recommendations as detailed in Section 2 has been completed and attached marked Appendix B.
- 3.2 The ESIIA has identified that there is potential of a medium negative impact on two of the characteristics and low negative impact on the remaining.

4. Background

4.1 Public Transport – Local Bus Services financially supported by the Council

Bus services outside London were deregulated in 1986. In essence the provision of bus services is a free market, meaning that anyone (subject to minimum safety and operating standards) can operate bus services. Bus operators are free to run whatever services they like and determine the fares they will charge and the vehicles they will use. This can result in an uncoordinated network with a confusing array of ticketing options for customers. Naturally commercial bus operators focus on the most profitable routes, with the Council having to pay bus operators to run journeys on routes that are not commercially viable but which are considered 'socially or economically' necessary. It is estimated that circa 80% of bus journeys within Shropshire relate to concessionary travel and consequently bus operators focus on those routes and the maximisation of their income and profits.

The Council also works with a number of community transport organisations across the County to provide essential services most often in more rural and remote areas. Within Shropshire, the amount of commercially registered bus services compared to the amount supported by the Council is very different to what you would encounter in denser urban areas, which by their very nature are more attractive for bus operators to provide commercial bus services. Subsequently the Council has to commit proportionally greater levels of subsidy to fill those larger commercial viability gaps and there is no specific allowance or additional funding from Government that allows for this.

The majority of these routes are key interurban services that link the market towns within Shropshire and enable onward travel to other areas of the County and the wider Marches and West Midland Region. These interurban services by their very nature will also support the economic growth of our market towns and Council recognises the importance related to supporting these services where a commercially sustainable alternative is not in place and within the constraints of our overall budget position.

Whilst it is recognised that many of these subsidised routes provide access to essential services, amenities, education and employment, the public consultation has been meaningful and has helped develop that understanding even further. Consequently, the ESIIA has been updated following the consultation, a further ESIIA would be undertaken for any future Local Bus Service routes.

To explore alternative ways of reducing the public transport budget through efficiencies, in partnership with operators and stakeholders, subject to:

- a. Ensuring that any service changes will ameliorate impact on the travelling public, especially where limited or no alternative travel options are available.
- b. Any subsequent changes would be introduced with effect from January 2020 and subject to a consultation on any individual services affected.
- c. A recognition that efficiencies and reductions will impact on some services where consultation has revealed little or no discernible impact.

A table of services that the Council currently subsidises can be found within **Appendix A**.

4.2 Shrewsbury Park & Ride

Shrewsbury Park & Ride is operated from three sites located in Harlescott to the north of the town, Oxon to the west and Meole Brace in the south. The service is provided as part of a wider parking strategy for Shrewsbury and is key in reducing demand for parking within the town centre, whilst at the same time having a positive impact on reducing congestion and promoting sustainable travel.

The current service frequency is every 20 minutes (reduced from a 12 minute frequency in November 2015) to and from Shrewsbury Town Centre, Monday to Saturday and is currently contracted to Arriva Midlands North Limited. The service carried a total of 617,000 passenger trips in 2018/19 with the current standard fare at £1.60 for a return. Patronage on the service has decreased year on year which can be attributed to a number of factors. Concessionary travel passes currently can be used on the service to obtain a 50% discount on presentation of a valid concessionary travel pass, which is applied at the Council's discretion.

The Council recognises the important contribution park and ride can play in supporting the Shrewsbury Town Centre economy, reducing congestion and helping improve access to key services and leisure/culture opportunities. As part of the 'Big Town Plan' initiative early work is underway to look at how park and ride can be further developed and improved and these findings will come forward to a future meeting of Cabinet.

4, 3 Future Mobility Strategy

Officers are currently examining options, including best practice in other areas of the Country to develop a transport vision and strategy for Shropshire that encapsulates all forms of transport, including public transport and Park & Ride. This work will have a countywide focus, but also complement the specific emerging proposals within the Shrewsbury Big Town Plan, Future High Streets Fund submissions and new housing and employment proposals within the Local Plan Review. This strategy will need to be co-created with a number of key partners and stakeholders to ensure that any revised network reflects passenger and economic needs within Shropshire.

In addition to already stated priorities of the Council this strategy will also take cognisance of the emerging Rural and Communities Strategy and Climate Emergency resolution of Full Council.

5. Financial Implications

- 5.1 In the 2018/19 financial year the Council expenditure on Public Transport was £1,809,955 with £258,456 attributed to the Shrewsbury Park & Ride service.

- 5.2 In addition to the costs detailed within 5.1 above the Council also incurred expenditure of £3,498,570 (18/19) in the reimbursement of concessionary fares as part of its mandatory duties.
- 5.3 The Councils financial strategy for 2019/20 includes a budget reduction of £405,000 in public transport and £50,000 for Shrewsbury Park & Ride

5.4 **Net Financial Impact to the Council of revised recommendations**

This report seeks not to reduce or remove services as consulted (£405,000) but where the consultation feedback has highlighted genuine efficiencies or cost pressures those will be focussed upon. Thus the full savings reduction of £405,000 will not be achieved.

- i. The revised recommendations within Section 2 of this report commit to exploring alternative ways of reducing the public transport budget through efficiencies and will realise an estimated £180,000 savings within the 2019/20 financial year.
- ii. Therefore £225,000 of the £405,000 budget reduction within the financial strategy will be unmet and will be subject to revised proposals.
- iii. The implementation of the proposed fare increase on Park & Ride, the removal of the group ticket and the concessionary fare discount will realise £50,000 of savings during 2019/20.

6 **The consultation and how feedback was generated**

The Council undertook a six-week consultation regarding proposals to reduce expenditure on the Local Bus services it subsidises and the Shrewsbury Park & Ride Service. The consultation commenced on 25 March 2019 and ended on 6 May 2019. A total of 955 responses were received, the majority received via e-mail, and a number by formal letter.

6.1 The consultation document was circulated to various stakeholders including Councillors, MP's, Town & Parish Councils, schools and colleges, voluntary and community sectors, transport operators, Shropshire Bus User Group and Shrewsbury Business Improvement District.

6.2 Bus Users Shropshire submitted their concerns from a network perspective and they commented that they are extremely concerned about the impact of the budget reductions. Their main concerns centred on the following services:

- 553 Shrewsbury to Bishops Castle
- 436 Shrewsbury Much Wenlock to Bridgnorth
- 576 Shrewsbury to Oswestry
- 511 Shrewsbury Wem to Whitchurch
- 297 Bridgnorth to Kidderminster

They highlighted that buses provide a vital service and play a very important role in reducing traffic congestion and pollution, supporting local businesses and tackling the increasing problems of loneliness and isolation.

6.3 Arriva Midlands North responded to the consultation and felt that there would be additional revenue benefit to the Council if Shrewsbury Park & Ride fares were increased to something approaching commercial levels. They also fully support the discount for concessions on the Park & Ride ending.

6.4 Shrewsbury Business Improvement district (BID) have also submitted a response to the consultation with their key concerns being that in increasing the standard fare, removing the concessionary pass discount and removing the group ticket it would effectively incentivise people to drive into the town centre or even put them off visiting completely, which could have a wider economic impact.

6.5 The majority of responses were concerned about any impact on the key core/interurban routes which operate between the market towns and Shrewsbury, enabling passengers to access essential services, such as health, education and employment. Any reductions to these key interurban routes would impact on all of the key themes raised by the respondents. In summary these services all promote employment, economic growth, reduce social isolation, and provide links to education and access to essential services and health so any reduction could have detrimental impact.

Table A – Consultation Reponses by Bus Service

Related Transport Service Route	Number of Responses
511	171
General	158
Shrewsbury Park and Ride	156
553	140
436	119
576	67
297	53
544	34
701	30
540	16
64	15
23	13
8	11
113	10
114	9
19	8
101	7
115	7
116	5
26	4
18	3
401	3
404	3
37	3
12	2
25	2
400	2

2	2
205	2
301	2
21	1
70	1
3	1
11	1
27	1
164	1
302	1
435	1
501	1

6.7 The responses received were varied and detailed, with a number of key themes highlighted, which are shown in the table below. It should also be noted that a respondent may have raised more than one concern.

Table B – Key Themes

Area of Concern	Number of Responses Raising Concern
Social Isolation/Health	626
Environmental	243
Economic Impact	185
Work	137
Education	116
Other	76
Information	30
Business	20

6.8 Officers have collated the comments received from respondents under the themes of Business, Economic Impact, Education, Environmental, Social Isolation/Health and Employment and these are detailed below.

Reponses regarding **Business:**

- Concerns that tourism in market towns could be impacted with fewer options for tourists to visit county towns, which could have a financial impact on local businesses.
- Many towns are already poorly served by bus services and these proposals will simply lead to a further decline in visitor numbers. Town & Parish Councils should be working together with tourism services to attract tourists to the town through advertising public transport better so it is more widely used.
- Some businesses rely on bus services both in a workforce and customer context.
- Reduced bus services will affect rural users who travel to market towns for shopping thus effecting local businesses.

Responses regarding **Economic Impacts:**

- The main focus of concerns relate to the proposed increased fares on Shrewsbury P&R, which respondents believe will lead to reduced footfall on the service with a knock on effect on the economic activity in Shrewsbury Town Centre.
- Reducing concessions for pensioners is considered a significant impact for some financially and concessions are a major incentive for them to travel into the town centre.
- Similar range of impact on other town centres if services are removed or reduced, with less footfall – less income generation for town/village centres and a potential decline in local businesses.
- Some agreement in a raising of the general ticket fee and an increase in group ticket pricings.
- Increased fares and a removal of the concessionary fare discount on Park and Ride will encourage more town centre traffic and more congestion.

Responses regarding **Education:**

- Students rely on many of these services to access education and many rural students will find it more challenging to attend classes.
- Student timetables vary for further education, reduced services will make travel a lot harder.
- Some parents don't drive and use buses to take children to school.
- A lot of younger people have no access to cars so rely on the buses to access their educational centre – rural isolation.

Responses regarding **Environmental:**

- Less buses will bring more cars to the roads, knock on effects from congestion, accidents, lower air quality due to more air pollution.
- Counterproductive to going greener – encouraging car use

Responses regarding **Social Isolation/Health:**

- Isolating rural communities from other transport connections to larger towns with more services – many believe this is the case for people living in small isolated villages
- Concerns from many elderly people who no longer drive so rely on the buses for shopping/hospital appointments, how will they get to these?
- Reducing independence of elderly to travel
- How will students attend their local education centre if they live rurally and rely on that bus service?
- Elderly, non-drivers, and students were highlighted as the most impacted.
- A large number of these are in relation to Bridgnorth, Bishops Castle and Broseley bus services.
- Reduced opportunities to engage in society: can affect mental health, knock on effects on other services e.g. Social Care.

Responses regarding **Employment:**

- A number raised concerns about people travelling to work in Shrewsbury.
- How will these workers get home at a reasonable time if they do shift work?
- Potential restrictions on employment opportunities

7. Conclusion

This report seeks not to reduce or remove services as consulted (£405,000) but where the consultation feedback has highlighted genuine efficiencies or cost pressures those will be focused upon. Thus the full savings reduction of £405,000 will not be achieved.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Member (Portfolio Holder)

Councillor Steve Davenport

Local Member

All

Appendices

Appendix A - Consultation Letter and List of Current Services
Appendix B - ESIIA