

WEST NORTHAMPTONSHIRE COUNCIL CABINET

11 April 2023

**Councillor Phil Larratt, Cabinet Member for Environment, Transport,
Highways and Waste**

Report Title	2023/24 Bus Subsidy Budget
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List of Approvers

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List of Appendices

None

1. Purpose of Report

- 1.1. For Cabinet to agree the use of £215k from the contingency fund in 2023/24 to provide continuing support for non-commercially viable bus services.

2. Executive Summary

- 2.1 The agreed 2022/23 budget included £315k for implementation of the Bus Service Improvement Plan (including subsidised bus services), however, this funding was due to reduce to £100k per annum from 2023/24 onwards.
- 2.2 The council has a statutory duty to secure the provision of such passenger transport services it considers appropriate to secure to meet any public transport requirements within its area which in their view would not be met. The £100k budget would be insufficient to cover the range of bus services currently supported by the council, meaning a number are likely to be fully withdrawn.
- 2.3 A motion was passed at Full Council on 22nd February 2023 proposing that the budget for 2023/24 should include the retention of the £215k budget that was due to be removed from the Bus Subsidy Budget so that existing supported bus services could continue, ahead of a future decision on the council's longer-term approach to public transport service support. This future decision would be informed by the bus service review study currently underway, impact assessments and consultation activity.

3. Recommendations

- 3.1 It is recommended that the Cabinet:
 - a) Agree the use of £215k from the contingency fund in 2023/24 to provide continuing support for non-commercially viable bus services.
 - b) Note that this will be used to continue to support the services currently receiving financial support.

4. Reason for Recommendations

- 4.1 The proposed option ensures the Council is fulfilling its statutory duty to secure provision of appropriate services to meet public transport requirements, and enables the council to take more time to evaluate these requirements in advance of a longer term recommendation being made.

5. Report Background

- 5.1 The majority of bus services in England, outside London, are provided commercially. That means the operator can introduce, withdraw or change the service as they wish subject to giving appropriate notice to first the Local Transport Authority and then the Traffic Commissioner. In West Northamptonshire, the commercial operators are Stagecoach, Unobus, Britannia Bus, Arriva and a number of community transport providers.
- 5.2 As the Local Transport Authority, the council has a statutory duty under the Transport Act 1985 to secure the provision of such passenger transport services as it considers appropriate within its area which otherwise would not be met; and to formulate from time to time policies as to the descriptions of services which they wish to secure. In considering which services should be secured the council has a duty to identify the public transport requirements which would otherwise not be met (i.e. by commercial bus operations). Given this it is important that decisions

on the level of passenger transport service support is guided by an understanding of need, and not solely determined by the budget available.

- 5.3 Northamptonshire County Council removed its subsidised services budget in 2018, and deleted its policies for which services which should be supported. However, it continued to support services using a small amount of government grant, together with funding from town and parish councils, and section 106 developer funding. However, as some of this funding ran out, it was only possible to maintain the services which were being supported in 2021/22 through the use of one-off Government grant.
- 5.4 In line with the Corporate Plan ambition to improve rural connectivity, WNC included £315k for implementation of the Bus Service Improvement Plan (including subsidised bus services) in the budget for 2022/23. However, this funding was due to reduce to £100k per annum from 2023/24 onwards.
- 5.5 A motion was passed at Full Council on 22nd February 2023 proposing that the budget for 2023/24 should include the retention of the £215k budget that was due to be removed so that existing supported bus services could continue, ahead of a future decision on the Council's longer term approach to public transport service support. This future decision would be informed by the bus service review study currently underway, impact assessments and consultation activity.

6. Issues and Choices

- 6.1 In recent years public transport use has been in decline and as the country emerges from the pandemic, it appears that resident's travel patterns may have permanently changed and regular bus use has significantly reduced, particularly among concessionary pass holders. In addition, there has been a significant rise in fuel costs and a shortage of bus drivers. Although the Government is offering additional support to the bus industry until July 2023, there is a risk that in future commercial services could be further scaled back which would place extra demands on council support for services.
- 6.2 In 2022/23 the combination of council budget and government grant was able to support bus services costing £428k. The £100k base budget and government grant funding expected to be available in 2023/24 would be insufficient to cover the costs of the existing subsidised services, let alone the replacement of any further commercial services.
- 6.3 Mindful of its statutory duty and given the impact on the Council's residents, the connectivity of local communities, and the imperative to support more sustainable forms of transport with reduced carbon emissions, the Council should seek to influence and help shape a solution which enables effective and financially sustainable passenger transport services.
- 6.4 The Council has commissioned a review of bus services in West Northamptonshire from a sector expert who can help the Council learn from best practice elsewhere and develop a new, sustainable solution for how passenger transport support is provided. The review will report back to the Council over the summer and it is likely that from the recommendations the Council will develop a new policy for supporting bus services. This policy will need to be consulted on

and agreed through the democratic process before it is implemented. Therefore, this is not an immediate solution, but it will provide a long-term approach for the Council.

- 6.5 It should be noted that if a supported service is withdrawn and then reinstated after a period of non-operation it will result in medium/long-term reduction of patronage/revenue which will increase the net cost which the Council needs to meet.
- 6.6 An Equality Screening Assessment of the budget proposal has been undertaken (Appendix A) and concluded the scheme has a positive overall impact on the protected groups.
- 6.7 Alternative options which have been considered include:
- Retaining just the base budget and cutting the subsidised services to fit the available budget. It is important that the Council assesses the impact of any withdrawal of funding support on service levels, as this could leave some communities with an established public transport requirement without any service at all.
 - Agreeing a permanent uplift to the base budget. Any decision on the longer term budget allocation should be informed by bus service review currently underway, with a decision taken on a budget allocation to deliver the preferred service delivery option guided by a fuller impact assessment. Furthermore, continuing to simply support existing bus services which are in financial difficulty only provides a short-term solution and it is difficult to identify which services to prioritise for support.

7. Implications (including financial implications)

7.1 Resources and Financial

- 7.1.1 The proposal will be funded by £215k from the contingency fund in 2023/24.

7.2 Legal

- 7.2.1 As mentioned in section 5.2, as the Local Transport Authority the Council has a statutory duty under the Transport Act 1985 to secure the provision of such passenger transport services it considers appropriate to secure to meet any public transport requirements within its area which in their view would not be met and to formulate policies for which services it will secure. The Act also requires consultation and publicity with respect to such policies. By maintaining the 22/23 budget allocation, in combination with other grant funding, the 22/23 supported bus services can be retained into 23/24, meeting these public transport requirements.

7.3 Risk

- 7.3.1 The principal risk is the retained budget level from 22/23 proves insufficient to fully cover the costs of the existing supported services, following any cost increases the operator is contractually entitled to. This will be managed by considering the merits and impact of any cost increase claim, and working closely with the operators to meet the service requirements in line with the available budget.

7.4 Consultation and Communications

7.4.1 Consultation and communications activity will be undertaken with all relevant stakeholders ahead of any decision informed by the bus service review on the future of public transport support by the Council.

7.5 Consideration by Overview and Scrutiny

7.5.1 N/A

7.6 Climate Impact

7.6.1 The support for public transport services that would otherwise not operate, is likely to reduce levels of private car use and so be beneficial for carbon reduction. This impact is however difficult to quantify without more data on the service users and the alternative modes of transport available to them.

7.7 Community Impact

7.7.1 The following services are those that are currently supported by the Council's bus subsidy base budget:

- 59/60 Northampton – Welford – Market Harborough (partly funded by Parish Councils)
- 87 Northampton – Rothersthorpe – Towcester – Brackley (partly funded by S106)
- X91 Silverstone – Towcester – Milton Keynes
- 200 Daventry – Banbury (jointly with Oxfordshire CC)
- 500 Brackley – Banbury (Sundays only, jointly with Oxfordshire CC)

Reductions to the budget would impact these services and likely result in some of them being withdrawn. Communities served by these routes would then have reduced accessibility, potentially causing economic, health and wellbeing impacts.

8. Background Papers

8.1 None