

9th October 2014

Agenda Item: 4

REPORT OF THE SERVICE DIRECTOR OF TRANSPORT, PROPERTY AND ENVIRONMENT

STRATEGIC PASSENGER TRANSPORT FRAMEWORK – LOCAL BUS SERVICES

Purpose of the Report

1. To consider changes to the criteria used to assess the need for the future provision of supported local bus services.
2. To approve a consultation exercise to seek Stakeholders views on the proposed changes.

Background

3. The County Council's strategic direction for investment in local bus services is currently informed by the Local Transport Plan priorities, with the key themes covering accessibility, congestion management and CO2 reduction which align with national priorities regarding economic growth, economic regeneration and job creation. This may change in the future as strategic priorities are changed through "Re-defining your Council" which will affect future investment decisions on which services to provide. It is necessary to make changes to meet rising demands, deliver value for money and address the serious financial challenges ahead.
4. Local bus services are key to providing access to opportunity. Vulnerable and disadvantaged groups are most reliant on bus networks; this includes rural households, low income households, young people seeking work or training, older people, disabled people and job seekers.
5. Past research by the Passenger Transport Executive Group (PTEG) shows that £3.00 of benefits can be generated for every £1.00 spent on supported local bus services.
6. In 2014/15 funding for local bus service support was reduced from £6m to £4.2m and future reductions are a possibility. A new network of supported bus services was introduced in August this year. It is important that the new and existing services are reviewed against a fair and value for money process thus ensuring that future services are based on need, equity and community needs.

The new review of bus services will be undertaken by April 2015 and a further report to Committee will follow in June 2015.

7. Local bus services within the County are provided in the following ways:
- **Commercial Services:** These are bus services where all the financial risk is borne by the operator and accounts for 85% of the Nottinghamshire bus network. However, in some rural areas e.g. East Bassetlaw, commercial services represent only 10% – 20% of the market thus leaving significant gaps in the network. This in turn increases the need for County Council supported services and funding.
 - **Supported Local Bus Services:** These bus services are commissioned by the County Council where the services are not considered viable by the commercial sector. The services mainly cover areas which are not fully served by commercial operators and are predominately weekday peak and off-peak journeys providing access to employment, training, health, retail and recreation. Without the County Council's intervention bus service users would be unable to access key services. This could lead to other problems such as poor health, unemployment and a slower economic recovery. The current cost of supported services funded by the County Council is around £4.2m per year.
 - **Voluntary and Community Transport:** The third sector has traditionally provided transport for those people unable to utilise conventional public transport services. The role of this sector is forecast to grow as their capability and capacity increases, whilst the commercial sector concentrates on the core bus network and Council funding for supported services falls.

Current criteria for assessing performance.

8. In July 2003 the County Council introduced a Performance Management Framework (PMF) which set out the criteria and scoring for assessing initial and on-going investment in supported local bus services thus ensuring that they provide value for money and that funding is directed to those services that meet the strategic objectives of the County Council. This is particularly important when there is insufficient funding to meet demand.

The current criteria include six scoring factors:

- Subsidy per passenger
 - Passengers per journey
 - Availability of alternative public transport services in settlements served
 - Index of Multiple Deprivation (IMD)
 - Primary Journey purpose i.e. employment, shopping , education
 - Car ownership levels in the settlements served.
9. The current criteria and scoring factors are shown in detail in **Appendix 1**. This has been very valuable when making difficult funding decisions as outlined in

Paragraph 6. The software used for PMF was jointly developed by the County Council and transport consultants and is used by a number of other transport authorities. PMF has the flexibility for the scores to be adjusted to reflect changes in local strategic priorities and demographics.

10. PMF is a comprehensive and flexible management tool and relies on patronage and income data from the bus operators.
11. Bus operators have recently been replacing their ticketing technology to improve the robustness of data and it is expected that new data will be provided from this Autumn.
12. As mentioned significant changes in the bus network were introduced from August this year. The PMF tool will support the monitoring of the new and on-going services and their performance which will be reported to Committee through the Quarterly Performance Report. It is proposed to review all services using PMF during October – January 2015 and bring a further report to Committee in April 2015.
13. The five strategic priorities identified in the County Council's 'Strategic Plan - 2014-2018' are:
 - Supporting safe and thriving communities
 - Protecting the environment
 - Supporting economic growth and employment
 - Providing care and promoting health
 - Helping you achieve your potential

In view of this it is considered necessary to consider reviewing the criteria and scoring within PMF so they reflect the County Council's strategic objectives.

Proposals

14. It is proposed that the current PMF is renamed Local Bus Service – Strategic Passenger Transport Framework (SPTF) and is revised to reflect:
 - changing national and local priorities which focus on economic regeneration, job creation and learning
 - the County Council's Strategic Plan – Re-defining Your Council
 - ongoing funding pressures
 - the new Strategic Management Framework
15. The proposed SPTF scoring includes an increase in the scores for the IMD (Index of Multiple Deprivation) and journey purpose factors to better reflect the strategic objectives. It is also proposed to simplify the journey purpose categories to emphasise the importance of employment and training. These changes are shown in bold in **Appendix 2**.

16. The SPTF will be used when reviewing and commissioning all new services in the future. The process will have three simple steps:
- Service need: To assess the need against the criteria and the availability of alternative transport;
 - Contract value sought: Projected income and passenger numbers are then included to assess whether or not the intervention is value for money and affordable;
 - Contract is awarded and monitored: the contract is awarded then reviewed using actual income and passengers figures. This information will be reported to Committee every six months.
17. It is proposed to undertake a short consultation with the main stakeholders including members to seek their views on the SPTF and bring a further report to Committee in January 2015.

Outcomes

18. The SPTF will:-
- better inform decision making on the commissioning of new bus services
 - improve on-going performance management of existing services, by identifying poor performing services
 - better reflect national and local priorities
 - use the recently established County Council's Strategic Management Framework (SMF) to ensure that services are effectively managed in terms of data and performance
 - ensure prioritisation for the most vulnerable and disadvantaged people in Nottinghamshire and those without access to alternative means of travel
 - ensure value for money and the provision of good affordable services

Statutory and Policy Implications

19. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Implications for Service Users

20. The introduction of the revised SPTF to determine local bus service investment helps improve the transport offer to new and existing users, therefore, improving their quality of life.

Financial Implications

21. The adoption of the new SPTF for future investment in local bus services will ensure that funding is efficiently and effectively used.

Implications for Sustainability and the Environment

22. The provision of better local bus service options helps promote alternative ways of travel and helps tackle congestion and rising CO2 emissions from transport.
23. The provision of a robust methodology for allocating resources ensures services are economically sustainable in the long term.

RECOMMENDATIONS

It is recommended that Committee:

- 1) Considers the proposals for the revised SPTF to guide future investment decisions and
- 2) Approves a consultation exercise to seek stakeholders and members views on the proposals with a further report to Committee in January 2015

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For any enquiries about this report please contact: Pete Mathieson or Mark Hudson

Constitutional Comments (SG 22/09/2014)

24. The proposals in this report fall within the remit of this Transport and Highways Committee. By virtue of its Terms of Reference, the Committee has responsibility for the provision of passenger transport services, including bus and rail initiatives.

Financial Comments (TMR 23/09/14)

25. The financial implications are set out in paragraph 21.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Full Council Report – July 2003

Cabinet Report – December 2005

Nottinghamshire County Council Strategic Plan 2014-2018

Redefining your Council – Policy Committee July 2014

County Council Strategic Management Framework 2013
Local Transport Plan (3) – 2011- 2026
Policy Committee: Strategic Plan 2014-2018 – September 2013
PTEG report – February 2013

Electoral Divisions Affected

All