

Non-Commercial Route Options Report



1. Background

Funding available to local government has been reducing steadily in recent years despite rising demand for services. As a council we have undergone huge changes in order to maintain good local services with fewer resources.

We have a history of delivering and in the past three years we have delivered over £25million of savings, in order to set a balanced budget. However, like all authorities we are now in a serious and unprecedented position due to additional national factors largely beyond our control, including rapidly rising energy costs and demand pressures and costs in social care. We have a legal duty to close our funding gap.

To date, we have identified a potential £15m shortfall in our in-year 2022/23 budget. We immediately instigated urgent and decisive action to identify savings of £9m. However, these pressures mean we are also facing a substantial shortfall in resources needed to set a balanced budget for 2023/4 – where we are currently projecting a £37.6m shortfall.

In January 2022 we were made aware by both Citybus and Stagecoach that they were planning to withdraw a number of commercial bus services with effect from 1 April 2022 following a Department for Transport announcement that Covid-19 Bus Recovery Grant funding would cease.

Under Section 63 of the Transport Act 1985 the Council has a duty to, as it considers appropriate, secure provision of transport services to meet public requirements not otherwise met. As a result a decision was taken by the Leader in March 2022 to allow us to react to these changes by instigating the procurement of replacement services alongside the poorer performing services of the Council's existing core non-commercial routes network.

In the interim these services have been maintained with short term contracts with the existing Bus Service Operator to ensure routes continued pending procurement. A number of these will expire on 31 December 2022 and a decision on what routes will continue is needed prior to this date to allow for arrangements to be made to register and de-register routes.

The Executive Decision set out the key risk of undertaking the tender, this being that there would be insufficient budget to replace all services. This was mitigated by setting out all the potential funding sources, which included the annual non-commercial routes budget, Bus Service Operator Grant (BSOG) funding, all available S106 funds and use of the concessionary fares underspend, forecast at that time to be £740,666 for 2022-23. The Executive Decision was signed off by the Leader on 7 March 2022.

If we were to award all services included in the tender package the annual cost would be £961,092 against a total annual non-commercial routes budget of £551,008 made up of £466,000 non-commercial routes budget and £85,008 BSOG funding.

2. Current Situation

Given the Council's financial position there is a need to carefully consider the options concerning which routes are provided. As such this report has been prepared to present to Cabinet the options with regards to award and service provision balanced with the projected financial gaps.

3. Options

The following are the options officers have considered appropriate, in light of the legislation when considering the usage, cost, impact and purpose of the each of the non-commercial routes. It should be noted that there would not be any savings from the non-commercial routes budget in the current financial year for any of these options. The services that would be retained and lost under each option are set out in Appendix A.

Under each option there will be a minimum of five services withdrawn. Having considered the details of the routes these have been identified as the worst performing services in terms of cost to the Council per passenger journey, ranging from between £3.02 and £7.70 against the Council's benchmark of £2.00 when based on existing prices, increasing to between £4.00 and £18.57 on the recently tendered prices. They are services which have been operating for several years but which have not shown any significant signs of passenger growth.

All options allow for five services that are being retained (as set out in Appendix A) where these can be fully funded through S106 developer contributions and BSOG funding. A summary of the options is shown below, with the considerations and rationale behind each option being detailed in Appendix A.

Option 1 – Non-commercial routes budget of £0 (saving £466k)

- 5 services retained, 9 services lost

Option 2 – Non-commercial routes budget of £100k (saving £366k)

- 6 services retained, 8 services lost

Option 3 – Non-commercial routes budget of £200k (saving £266k)

- 7 services retained, 7 services lost

Option 4 – Non-commercial routes budget of £300k (saving £166k)

- 7 services retained, 7 services lost (the 7 retained here would include one different service to that included under the £200k spend option above, but this one would be at a higher cost, hence no increase in the number of services that can be provided)

Option 5 – Non-commercial routes budget of £366k (saving £100k)

- 8 services retained, 6 services lost

Option 6 – Non-commercial route budget of £388K (saving £78k)

- 9 services retained 5 services lost

In respect of the options it should be noted there is no legislative requirement to consult on the proposals. Given the financial position of the Council, the need to make a contract award, and register and de-register routes and to secure the tender submissions under contract and avoid the need to re-procure, it is not practicable to conduct any public engagement on these proposals.

4. Parking Charges at the City's Park and Ride Sites

To support the city's bus network, it is proposed to bring forward proposals to generate new income through the introduction of parking charges across the city's three park and ride sites, at a rate of £1 per 24 hour stay. This level of proposed charge would minimise the impact on the total cost of park and ride travel, whilst delivering the level of income required to support provision of the city's bus network. Furthermore, if implemented, it would be proposed that this revenue is protected, through ring-fencing, for supporting the city's bus network.

The proposals would also look to ensure that there is sufficient placement of parking terminals at convenient locations across all three park and ride sites, such as where passengers board buses, and that they are ticketless; meaning motorists will not need to return to their cars to display any tickets. It would also be proposed that, subject to the report on parking fees on the agenda being approved by Cabinet, motorists will also be able to pay via debit, credit and contactless cards, Android Pay, Google Pay and Ringo (mobile app, phone call or website) methods as with all other Council parking arrangements.

The proposed introduction of charges at the park and ride sites will be subject to statutory consultation. This involves the Council publishing the fully developed proposals, via public notice in the local media and notices displayed within the park and ride locations, which will provide details of the proposals and how people can submit representations to them over a 21-day period. The consultation responses will then be presented back to Cabinet with a report seeking a final decision on the implementation of the parking fees.

5. Recommendation

It is recommended that Cabinet:

1. Confirms and agrees which of the options set out in the report for the award of bus service contracts it wishes to implement.
2. Approve the cancellation of bus service contracts as set out in the report relating to the agreed option for implementation.
3. Approve the award of the contracts as set out in the report relating to the agreed option for implementation
4. Approve the undertaking of statutory consultation for the introduction of a £1 24-hour charge within city's three park and ride car parks, and agree that the income generated from this is ring-fenced to supporting the city's bus network.

Appendix A

The tables below show the services that would be retained and withdrawn under each of the options described in section 3 of the briefing note.

Option 1 – Non-commercial Routes Budget of £0

Services Retained

Service	Route	Reason for retaining
2A	Elburton – Sherford section only	Fully funded through S106
17	City Centre – Plymstock Broadway – Hooe	Fully funded through S106
18	City Centre – Plymstock Broadway - Elburton	Fully funded through S106
42	Seaton Neighbourhood section only	Fully funded through S106
52	Plympton – Coypool Park & Ride – FVLR – Derriford Hospital	Fully funded through S106

Services to be Withdrawn

Service Withdrawn	Route
13	City Centre to Saltash Passage via Weston Mill
14	City Centre to Derriford Estates via Devonport, Mutton Cove, Keyham & Derriford Hospital
19	City Centre to Plympton Ridgeway via Merafield
27	City Centre to George Park and ride via Lower Compton, Efford, Eggbuckland & Mainstone
31	City Centre to Pennycross via Peverell & Beacon Park
39	City Centre to Hartley Vale via Mannamead
44A	Holly Park & Ringmore Way
54	City Centre to Bovisand Beach via Plymstock & Jennycliff
200	Coypool Park and Ride

Considerations and Rationale

Without any budget only routes that can be fully funded through S106 developer contributions and BSOG would be able to operate.

Option 2 – Non-commercial Routes Budget of £100k

Services Retained

Service	Route	Reason for retaining
2A	Elburton – Sherford section only	Fully funded through S106
17	City Centre – Plymstock Broadway – Hooe	Fully funded through S106
18	City Centre – Plymstock Broadway - Elburton	Fully funded through S106
42	Seaton Neighbourhood section only	Fully funded through S106
52	Plympton – Coypool Park & Ride – FVLR – Derriford Hospital	Fully funded through S106
200	Coypool Park & Ride – City Centre	Retains a Park and Ride service in the east of the city at an improved

		frequency thereby encouraging patronage growth. This is also a better performing service in terms of cost per passenger journey than other services that could be funded with a £100k budget
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Services to be Withdrawn

Service Withdrawn	Route
13	City Centre to Saltash Passage via Weston Mill
14	City Centre to Derriford Estates via Devonport, Mutton Cove, Keyham & Derriford Hospital
19	City Centre to Plympton Ridgeway via Merafield
27	City Centre to George Park and ride via Lower Compton, Efford, Egguckland & Mainstone
31	City Centre to Pennycross via Peverell & Beacon Park
39	City Centre to Hartley Vale via Mannamead
44A	Holly Park & Ringmore Way
54	City Centre to Bovisand Beach via Plymstock & Jennycliff

Considerations and Rationale

As option 5 but with both services 13 and 14 being withdrawn. The cost per passenger for service 13 is £1.70 and for service 14 is £1.94 but within the reduced budget for this option both services are unaffordable. Whilst service 13 could be provided with a budget of £100k, service 200 (Coypool Park and Ride) protects this Park and Ride service, and within this budget the current service frequency can be doubled to a 20 minute headway which offers greater opportunity for patronage growth compared to service 13.

Option 3 – Non-commercial Routes Budget of £200k

Services Retained

Service	Route	Reason for retaining
2A	Elburton – Sherford section only	Fully funded through S106
13	City Centre – Weston Mill – Saltash Passage	Better performing service with cost per passenger journey within the £2.00 benchmark
17	City Centre – Plymstock Broadway – Hooe	Fully funded through S106
18	City Centre – Plymstock Broadway - Elburton	Fully funded through S106
42	Seaton Neighbourhood section only	Fully funded through S106
52	Plympton – Coypool Park & Ride – FVLR – Derriford Hospital	Fully funded through S106
200	Coypool Park & Ride – City Centre	Retains a Park and Ride service in the east of the city at an improved frequency thereby encouraging patronage growth. This is also a better

		performing service in terms of cost per passenger than other services that could be funded within this level of budget
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Services to be Withdrawn

Service Withdrawn	Route
14	City Centre to Derriford Estates via Devonport, Mutton Cove, Keyham & Derriford Hospital
19	City Centre to Plympton Ridgeway via Merafield
27	City Centre to George Park and ride via Lower Compton, Efford, Egguckland & Mainstone
31	City Centre to Pennycross via Peverell & Beacon Park
39	City Centre to Hartley Vale via Mannamead
44A	Holly Park & Ringmore Way
54	City Centre to Bovisand Beach via Plymstock & Jennycliff

Considerations and Rationale

As option 5 but with service 14 also being withdrawn. The cost per passenger for service 14 is £1.94 and therefore within the Council's benchmark of £2.00. This service is a two bus operation and as such costs approximately twice as much as a one bus operation to fund over a year and is therefore not affordable within the reduced budget for this option.

Option 4 – Non-commercial Routes Budget of £300k

Services Retained

Service	Route	Reason for retaining
2A	Elburton – Sherford section only	Fully funded through S106
14	City Centre – Devonport – Keyham – Ham – Derriford Hospital – Derriford Estates	Better performing service with cost per passenger journey within the £2.00 benchmark. Replaces service 13 due to the higher budget being required to fund this service
17	City Centre – Plymstock Broadway – Hooe	Fully funded through S106
18	City Centre – Plymstock Broadway - Elburton	Fully funded through S106
42	Seaton Neighbourhood section only	Fully funded through S106
52	Plympton – Coypool Park & Ride – FVLR – Derriford Hospital	Fully funded through S106
200	Coypool Park & Ride – City Centre	Retains a Park and Ride service in the east of the city at an improved frequency thereby encouraging patronage growth. This is also a better performing service in terms of cost per passenger than other services that

		could be funded within this level of budget
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Services to be Withdrawn

Service Withdrawn	Route
13	City Centre to Saltash Passage via Weston Mill
19	City Centre to Plympton Ridgeway via Merafield
27	City Centre to George Park and ride via Lower Compton, Efford, Egguckland & Mainstone
31	City Centre to Pennycross via Peverell & Beacon Park
39	City Centre to Hartley Vale via Mannamead
44A	Holly Park & Ringmore Way
54	City Centre to Bovisand Beach via Plymstock & Jennycliff

Considerations and Rationale

As option 5 but with service 13 also being withdrawn. The cost per passenger for service 13 is £1.70 and therefore well within the Council's benchmark of £2.00. Being a single bus operation as opposed to the two bus operation needed for service 14 this is the only affordable service to include within the reduced budget for this option.

Option 5 – Non-commercial Routes Budget of £366k

Services Retained

Service	Route	Reason for retaining
2A	Elburton – Sherford section only	Fully funded through S106
13	City Centre – Weston Mill – Saltash Passage	Better performing service with cost per passenger within the £2.00 benchmark
14	City Centre – Devonport – Keyham – Ham – Derriford Hospital – Derriford Estates	Better performing service with cost per passenger within the £2.00 benchmark
17	City Centre – Plymstock Broadway – Hooe	Fully funded through S106
18	City Centre – Plymstock Broadway - Elburton	Fully funded through S106
42	Seaton Neighbourhood section only	Fully funded through S106
52	Plympton – Coypool Park & Ride – FVLR – Derriford Hospital	Fully funded through S106
200	Coypool Park & Ride – City Centre	Retains a Park and Ride service in the east of the city at an improved frequency thereby encouraging patronage growth. This is also a better performing service in terms of cost per passenger than other services

		that could be funded within this level of budget
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Services to be Withdrawn

Service Withdrawn	Route
19	City Centre to Plympton Ridgeway via Merafield
27	City Centre to George Park and ride via Lower Compton, Efford, Eggbuckland & Mainstone
31	City Centre to Pennycross via Peverell & Beacon Park
39	City Centre to Hartley Vale via Mannamead
44A	Holly Park & Ringmore Way
54	City Centre to Bovisand Beach via Plymstock & Jennycliff

Considerations and Rationale

As option 6 but with service 27 also being withdrawn. This service is a two bus operation and as such costs approximately twice as much as a one bus operation to fund over a year. As a new service linking a number of communities that would otherwise be unserved, this service is deemed to have the greatest potential to grow patronage.

Option 6 – Non-commercial Routes Budget of £388k

Services Retained

Service	Route	Reason for retaining
2A	Elburton – Sherford section only	Fully funded through S106
13	City Centre – Weston Mill – Saltash Passage	Better performing service with cost per passenger within the £2.00 benchmark
14	City Centre – Devonport – Keyham – Ham – Derriford Hospital – Derriford Estates	Better performing service with cost per passenger within the £2.00 benchmark
17	City Centre – Plymstock Broadway – Hooe	Fully funded through S106
18	City Centre – Plymstock Broadway - Elburton	Fully funded through S106
27	City Centre – Lower Compton – Eggbuckland – Mainstone – George P&R	Greater potential for growth as the service is routed to cover a number of areas where commercial operations will have only recently been withdrawn
42	Seaton Neighbourhood section only	Fully funded through S106
52	Plympton – Coypool Park & Ride – FVLR – Derriford Hospital	Fully funded through S106
200	Coypool Park & Ride – City Centre	Retains a Park and Ride service in the east of the city at an improved frequency thereby encouraging patronage growth. This is also a better performing service in terms of cost per passenger than other services that could be funded within this level of budget

Services to be Withdrawn

Service Withdrawn	Route
19	City Centre to Plympton Ridgeway via Merafield
31	City Centre to Pennycross via Peverell & Beacon Park
39	City Centre to Hartley Vale via Mannamead
44A	Holly Park & Ringmore Way
54	City Centre to Bovisand Beach via Plymstock & Jennycliff

Considerations and Rationale

As detailed in section 3 of the report.