

SUBSIDISED BUS SERVICES

Overview



Executive Summary

This report sets out an overview of the Council's activities around subsidised bus services. It provides information on why Plymouth has a supported bus network, which services are supported, contract management, usage data and information on Community Transport services. The Council supports a range of bus services across the City either in their entirety or partially through specific additions to existing commercial services. The Public Transport Team fulfils this function utilising an annual budget of £382k. Services are secured through a combination of full Official Journal of the European Union (OJEU) tender processes and competitive quotes depending on the nature of the service to be procured.

Legal Background

The Council can provide subsidy for the operation of local passenger transport under legislation set out in the 1985 Transport Act. The key statutory duties detailed in section 63 of the Act for Local Authorities can be summarised as:

- To secure the provision of such public passenger transport services as the council considers appropriate to meet any public transport requirements which would not otherwise be met.
- In exercising functions relating to public passenger transport services, to have regard to the needs of elderly or disabled persons.

Subsidising a bus service

There are a range of different circumstances whereby a bus service is subsidised. The three main areas are:

- At the end of the existing contract period or following a regular review.
- Intervention following changes to either subsidised or commercial routes.
- Utilising section 106 funds as they become available.

Bus services subsidised as part of Section 106 agreements are outside the scope of this report although wherever possible they are incorporated within the general framework for delivery to maximise value for money.

The criteria the Council use for providing Subsidised Bus Services is described in Appendix A and further detail on the process is given in Appendix B.

Management of the Subsidised Network

- Patronage data is reviewed on a quarterly basis to track the effectiveness of each individual subsidised service and the cost per passenger.
- All services are reviewed regularly through the deployment of on-board staff who collect data on the actual journeys passengers are making; this is necessary as the monthly

patronage data received from Bus Operators only gives overall trip data not specific journey data. The reviews enable the team to identify the sections of routes where the majority of trips are made, where there are no alternative services, and hence offer the best service to communities.

Based on the data provided in Appendix B Plymouth residents make an average of 8368 weekly journeys on the subsidised network, at an average subsidy of £0.88 per journey.

Bus Service Operators Grant

It should also be noted that the Department for Transport (DfT) has decided to allocate the fuel duty rebate, Bus Service Operators Grant (BSOG), directly to Local Authorities in respect to all subsidised services from 2013/14. A consultation paper is currently available from the DfT on the possible further expansion of this.

Community Transport

Community Transport, largely provided by the Charity Access Plymouth, plays a key role in the provision of transport to Plymouth residents. The Ring and Ride and Community Car services offer door to door transport for elderly and/or disabled residents who are unable to use conventional public transport either because of availability or due to difficulties accessing it. A current trial is underway for residents in the north of the City through the provision of a Dial-A-Ride service which allows the pre booking of journeys at staggered costs to any destination including the Hospital, supermarkets, or even bus stops to allow passengers to interchange with bus services taking them into the City Centre or elsewhere.

The combined trips in 2011/12 on all Community Transport services was 12,728. All trips are return journeys.

Review of existing subsidised services

Appendix C provides a list of the existing services the Council provide subsidy towards including overall cost and the cost per passenger.

Appendix A: Criteria for providing Subsidised Bus Services

The Council works to provide the most effective balance between offering services which positively impact upon residents lives and having good network coverage. The limited size of the budget and the unprecedented amount of changes in local bus services over the last three years has required a flexible and dynamic approach to ensure as comprehensive a service as possible. The following factors are taken into account when subsidising a bus service.

- Available budget.
- Cost per passenger journey based on total passengers (from surveys and Electronic Ticket Machine (ETM) data for existing services). The Council's maximum guide cost is £1.65 per passenger. This is reviewed annually subject to industry costs and inflation.
- Total passengers per journey.
- Total unique passengers per journey (those who would not have access to an alternative service within 400 metres with at least an hourly frequency)
- Knowledge and detailed understanding of both historical and current context of services.
- Feedback from residents, stakeholders and Members.
- Topography.
- Car ownership levels.
- Accessibility links to the following:
 1. Main and local shopping centres / health facilities
 2. Key hubs to secure connections elsewhere
 3. Employment
 4. Education
 5. Leisure/tourism facilities

Detailed tender specifications are given to Bus Operators to quote against but the Public Transport Team is always clear that innovative proposals are welcome.

Appendix B: Process for subsidising a bus route

The existing subsidised bus network has been developed over a number of years.

During the contract period, any comments and requests received from ward Members, members of the public or bus operators are taken into account when planning for the next contract period or sooner if cost effective benefits can be provided for residents by making changes during the existing contract term.

Receipt of de-registrations for commercial services lead the public transport team to gather patronage data for the withdrawn service and look at alternative service provision options. Where it is felt that a replacement service is warranted for all or part of that route, consideration is given to either putting a new service out for tender or amending an existing service.

The team also have regular liaison meetings with all of the city's bus operators and they are always asked for their views on the effectiveness of the subsidised service network, any potential changes they think may be required at the end of the contract terms, any upcoming commercial service changes they are prepared to share or any requests they have received from customers for new or amended services.

Most services are put out to tender using the open tender process, and in view of the general contract cost, the OJEU process is normally followed. To achieve the best possible value for money the team provide options for service contracts to be awarded as either a whole package or a number of smaller packages, rather than as individual services. This is why most contracts have the same expiry date.

Contracts are generally awarded for a period of 3 years with an option to extend the contract for a further 2 years although the Council does have the ability to award contracts for 5 years with the option to extend them for a further 3 years. Contracts are normally awarded for 3 years as this provides greater flexibility for the Council should it need to amend them following changes to the commercial services. However, it is acknowledged that shorter contract terms are not necessarily conducive to encouraging investment in newer vehicles by operators.

Under the 1985 Transport Act the Council is also able to award contracts on a *de minimus* basis. This is used when a contract is awarded for the extension of an existing service. An example could be where a Monday to Saturday daytime service is provided commercially but the evening and Sunday service is subsidised. There are limits on the value of such contracts.

Appendix C: Current bus services supported by Plymouth City Council

| Service | Route Details | Operator | Days Subsidised | Frequency | Operating Period | Full/Part Subsidy | Average Weekly Trips | Contract expiry date |
|------------|--|------------------|------------------|-----------|---|----------------------|----------------------|---|
| 7D | City Centre - Plymstock - Hooe | Target Travel | Monday to Friday | Hourly | Off -peak | Full | 620 | 23 May 2015 |
| 13 | City Centre - Weston Mill & Saltash Passage | Plymouth Citybus | Monday to Friday | Hourly | 09.00 to 19.00 | Full | 1,106 | 23 May 2015 |
| 14 | City Centre - Devonport - Keyham - Ham - Crownhill - Derriford | Target Travel | Monday to Friday | Hourly | 07.30 to 18.30 | Full | 1,418 | 23 May 2015 |
| 16B | City Centre - Kings Tamerton - Holly Park | Plymouth Citybus | Daily | Hourly | Evenings Only | Part (Evenings only) | 757 | 31 May 2014 |
| 18 | City Centre - Plymstock - Elburton | Target Travel | Monday to Friday | Hourly | 09.10 to 17.40 | Full | 438 | 23 May 2015 |
| 19 | City Centre - Coxside - Cattedown - Merafield | Target Travel | Monday to Friday | Hourly | 07.30 to 18.10 Provides peak hour service in Coxside and Cattedown | Full | 539 | Rolling contract subject to full review |

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|------------|---|--------------------|---------------------------------------|------------------|----------------|--|-----|---------------|
| 25 | City Centre - Barbican - Hoe | Plymouth Citybus | Sundays & Bank Holidays - Summer Only | Every 30 minutes | 09.30 to 18.00 | Part (Sundays & Bank Holidays Summer Only) | 203 | 31 May 2014 |
| 27 | City Centre - Mutley - Efford - Deer Park - Austin Farm | Plymouth Citybus | Sundays & Bank Holidays Only | Hourly | 08.45 to 17.45 | Part (Sundays & Bank Holidays) | 227 | 23 May 2015 |
| 28B | City Centre - Eggbuckland - Derriford Hospital | Plymouth Citybus | Sunday to Thursday | Hourly | Evenings Only | Part (Evenings only) | 673 | 31 May 2014 |
| 31 | City Centre - Ford - Beacon Park | Plymouth Citybus | Monday to Friday | Hourly | 08.55 to 17.55 | Full | 689 | 31 May 2014 |
| 39 | City Centre - Compton - Morrisons - Hartley Vale | Target Travel | Monday to Friday | Hourly | 07.50 to 18.20 | Full | 532 | 23 May 2015 |
| 52 | Plympton - Derriford Hospital | Target Travel | Monday to Friday | Hourly | 06.10 to 19.15 | Full | 779 | 23 May 2015 |
| 223 | St Budeaux - Kings Tamerton Circular | St Budeaux Taxibus | Monday to Friday | Every 30 minutes | | Full | 387 | 29 March 2013 |