

**Report to the Cabinet Member for Highways and Transport**  
**Report submitted by: Interim Executive Director of Environment**  
**Date: 5 December 2014**

**Part I**

Electoral Divisions affected:  
All

**Revised Criteria for Assessing Subsidised Bus Services**  
(Appendices 'A' to 'E' refer)

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**Executive Summary**

The County Council has undertaken an extensive consultation on its' proposals to introduce a revised criteria for assessing subsidised bus services. This report and the appendices set out the results of that consultation together with the changes that are proposed to the final criteria which will allow LCC to measure subsidised bus services in a more sustainable way and prioritise local communities within the limited resources available.

This is deemed to be a Key Decision and the provisions of Standing Order No. 25 have been complied with.

**Recommendation**

The Cabinet Member for Highways and Transport is asked to agree to the amended scoring criteria for assessing subsidised bus services, as set out at Appendix 'D'.

**Background and Advice**

The majority of local bus services operating within Lancashire are run on a commercial basis by a number of different bus service providers. Lancashire County Council (LCC) currently subsidises a number of local bus services throughout the county. As part of the budget agreement made at full Council in February 2014, LCC are to carry out a full review of the subsidised local bus network which will be undertaken on an area by area basis over the next 18 months.

Subsidised bus and community transport services provide transport to ensure people who live in areas not served by commercial bus services have access to a wide range of facilities to meet their needs.

Subsidised bus services are currently ranked by their financial performance, using a criteria which states that 40% of the cost of a service must be met through passenger

revenue. This passenger revenue includes any concessionary reimbursement due as part of the English National Concessionary Travel Scheme.

This way of ranking can result in those services that underperform financially being more likely to be withdrawn irrespective of the community needs that they fulfil. With the challenging financial constraints and potential budget reductions proposed over the next 4 years, a decision on the level of subsidy for future bus services is yet to be determined and will be considered as part of the forthcoming budget proposals.

To take into account the priorities set out in the Local Transport Plan, the county council is proposing to revise the criteria to measure services in a more sustainable way and to move away from a pure financial assessment. During the forthcoming review of the subsidised local bus network, this new criteria will then be used to assess each service in relation to the purpose of the journey and how accessible it is to the local communities served.

Lancashire County Council developed a questionnaire detailing the draft new criteria (Appendix 'A') and consulted with all stakeholders over the summer period from 12 June until 5 August 2014. In total, 138 responses to the questionnaire were received and the findings were delivered in a report (Appendix 'B'). A significant number of comments were also received and have been incorporated into a separate document (Appendix 'C').

All the comments received during the consultation have been considered and amendments made to the proposed criteria to address many of the initial concerns received. Around two-thirds of respondents (68%) agree that Lancashire County Council's current method of assessing its subsidised local bus services purely on financial grounds, where 40% of the cost of the provision should be met through fares income, should be replaced by the proposed new criteria.

A number of changes have been made to the proposed criteria and these are contained at Appendix 'D'. The main changes are summarised as follows:

#### Journey Purpose and Business Growth

Whilst there was a general consensus of acceptance of this element, many of the comments received suggested the scoring criteria was too focused on employment and biased against Shopping, Personal Business and Leisure, all of which should be deemed more worthy than the initial scores given.

It is now proposed to adjust this element to better reflect journey purpose.

#### Sustainable Economic Growth

Whilst there was a general consensus of acceptance of this element, a number of comments received asked how this was going to be measured and what actually determined an employment area.

It is now proposed to remove this element altogether and better reflect employment by an enhanced score within the Business Growth, Journey Purpose element.

### Impact on Priority Neighbourhoods

Following comments received, it is proposed that a score of 4 points will be allocated to a service directly serving a Priority Neighbourhood area. No points will be allocated to those services outside a Priority Neighbourhood area.

### Operational Service Days

Whilst there was a general consensus of acceptance of this element, a number of comments received asked for detail of what the actual times are referred to as daytime or evening.

It is proposed to now split the Monday to Saturday and Sunday evenings into different priorities, as weekday evenings are deemed more desirable than Sunday evenings, as the customer demand is greater. Operational times have now been included on the element to define each period.

### Service Usage

There was a no consensus of acceptance of this element, with less than half agreeing with the element. Whilst service usage is a key component, there were a number of comments received suggesting that scoring passenger usage in terms of actual numbers is not a satisfactory method. Furthermore, that it is biased against possibly vital low cost services with low usage, in favour of possibly more high cost services with high usage.

It is now proposed to revise this element to measure usage by calculating passengers per service mile and cost per passenger. A score between 1 and 5 will be allocated, with the higher passengers per mile and lower cost per passenger receiving the greater scores.

### **Recommendation**

It is recommended to agree to the amended scoring criteria for assessing subsidised bus services. This will allow LCC to measure subsidised bus services in a more sustainable way and prioritise local communities within the resources available.

### **Consultations**

Lancashire County Council consulted with stakeholders to seek feedback on the draft criteria. This included all Members, District & Parish Councils, passenger transport groups, bus operators and members of the public.

The consultation ran from 12 June to 5 August 2014 and was available as an online questionnaire, a downloadable pdf or could be requested by post. Stakeholders were informed directly by email about the consultation and the consultation was publicised through press releases and on LCC Twitter and Facebook.

**Implications:**

This item has the following implications, as indicated:

**Risk management**

Without revising the criteria of how LCC assess subsidised bus services could result in those services that underperform financially being more likely to be withdrawn irrespective of the community needs that they fulfil.

In proposing these revisions to the criteria, an Equality Impact Assessment has been carried out and is attached at Appendix 'E' to this report.

**Financial**

None. The proposed new criteria are sufficiently flexible to be able to operate at varying levels of cost and so can be constrained within existing and future budgets.

**List of Background Papers**

Paper	Date	Contact/Directorate/Tel
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Nil.

Reason for inclusion in Part II, if appropriate

N/A.