

**MINUTES OF OVERVIEW AND SCRUTINY TASK GROUP - SUSTAINABLE PUBLIC TRANSPORT**

**MEETING DATE** Thursday, 3 December 2020

**MEMBERS PRESENT:** Councillor Kim Snape (Chair), and Councillors Julia Berry, Val Counce, Mark Clifford, Gordon France, Tom Gray, Yvonne Hargreaves, Laura Lennox and June Molyneaux

**OFFICERS:** Alison Marland (Principal Planning Officer), Matthew Pawlyszyn (Democratic and Member Services Officer) and Ruth Rimmington (Democratic and Member Services Team Leader)

**OTHER MEMBERS:** Matt Davies (Managing Director, Stagecoach), James Mellor (Commercial Director, Stage Coach), and Nick Small (Head of Strategic and Built Environment, Stagecoach)

**20.OS11 Minutes of meeting Thursday, 5 November 2020 of Overview and Scrutiny Task Group - Sustainable Public Transport**

**Decision:** The minutes were approved as a correct record.

**20.OS12 Declaration of any interests**

There were no declarations of interest.

**20.OS13 Verbal Update on Green Agenda in relation to Sustainable Public Transport**

Zoe Whiteside Service Lead - Spatial Planning Early Intervention and Support provided a verbal update on the progress of the Green Agenda in relation to sustainable transport.

Chorley Council declared a Climate Emergency November 2019 and made a commitment to reach carbon zero by 2030. To achieve this ambitious goal, an Overview and Scrutiny Task Group made a series of recommendations, and the Council committed to 20 actions across all sectors and areas.

A Programme Officer is to be recruited into the post at the start of 2021, the candidate is to have expertise and experience of management, the ability to handle and manage projects for delivery and the capability to drive the Council to achieving the commitments made. Their key role would be in driving the agenda, delivering the Action Plan and to maximise best practice within the Council. The Officer would also

be responsible for coordinating and applying for funding and grants to further the Green Agenda.

On 10 December 2020, a meeting of a new Working Group will discuss the way forward with the Leader of the Council, Deputy Leader, Portfolio holder. With decisions made about its structure, the Chair, terms of reference, frequency. The date of the first meeting is expected early 2021. At every meeting, the Climate Change Programme officer will report progress of the committed targets.

The Council intends to explore renewable energy sources and the options to develop and adopt a clean air strategy.

The Council currently licensed 10 hybrid Hackney Carriages, and only vehicles with Euro 5 Emissions were granted licenses. Further work is being completed to ensure there are enough charging points in the area for electric vehicles.

Within the Action Plan, the Council is to establish dialogue with Lancashire County Council for Sustainable Transport schemes. Issues are to be raised with transport planners, and within the Greater Lancashire Plan, including net carbon neutrality. It was understood that progress would take cooperation of all boroughs and authorities.

There will be a scoping paper highlighting active travel, this includes walking, cycling in addition to public transport.

Members asked if the Council was looking at alternative fuels for buses, e.g. HVO, hydrogen or electric.

Zoe Whiteside clarified that nothing had been ruled out, but there had not been any option or appraisals completed and the Council would look to the County Council, exploring the economy of scale and ensure best practice. It was too early to favour one fuel source over another.

Zoe added that the Council intended to work closely with the County Council's highway authority and intended to seek timescales and answers related to the Masterplan.

**Decision: The report was noted**

#### **20.OS14 Verbal Presentation by Stagecoach Regional Managing Director Matt Davies and Regional Commercial Director James Mellor**

The Chair welcomed Matt Davies, Managing Director, James Mellor, Commercial Director and Nick Small, Head of Strategic and Built Environment.

The Task Group heard that due to the pandemic, the economics of bus operations have been reset and new challenges have emerged. In March 2020, Stagecoach had 10% of expected passenger numbers. The figures since March varied and peaked at 60%, it was hoped that the figure would remain between 60 and 80%. Other factors that have affected bus use includes a lack of bus priority, the decline of the high street, the rise of internet shopping and the increase in employees working from home. The

increase in car ownership has correlated with the decreased demand for buses. Each year, the bus industry declined 2 – 3% while car ownership continued to rise. A significant issue recently had been the policy to freeze fuel duty at the pumps and that fuel at present was 13% lower than it would be without the freeze.

If just 1% of motorists used the bus, that would see 10% rise in bus use.

### **Chorley Area Operations.**

The main depot was in Preston, but a smaller depot is located in Chorley that housed 25 buses and employs 70, including drivers, cleaning staff and engineers.

The busiest route in the area was the 125, that was recently extended to the Royal Preston Hospital.

There were services operated on behalf of Lancashire County Council.

### **Customer Satisfaction**

Pre-pandemic there was high level of operation with 99.9% of scheduled mileage operated. 92.9% of all journeys started on time.

There was a wide range of tickets available to customers depending on their needs.

Due to Covid-19, there had been an accelerated increase in customers paying contactless or through the app. 60% of all transactions were now contactless.

The dedicated app provided the user up to the minute information about the buses, track times, and enables customers to plan their journeys more efficiently.

### **Deregulation**

The Act allowed Stagecoach to exist. With deregulation, the market decides which of the services are commercially sustainable. The revenues collected covers the operating costs with aspiration for profit. 95% of Stagecoach's operations are commercial. Where there were gaps in the network, or routes deemed to be socially necessary but not commercially viable, the County Council can contract and tend the routes. The routes were awarded to the lowest bidder and can lead to a service operated by one company in the day and another in the evening and weekends.

Franchising was a potential option for Mayoral Combined Authorities to request. It is currently in place in London, but it does not solve all issues and requires a significant level of financial input.

In the deregulated market, the timetables, routes, and fares are not created in isolation. Consultation and cooperation occurred with the County Council, customers, and stakeholders.

### **Process behind creating, maintaining, or discontinuing a bus route**

The majority of the bus network was long standing. Some routes have grown and expanded, such as the 125, whereas others have declined, and services reduced. Primarily, routes are focused on car routes that link key places. Any change to a route

is given 70 days' notice, and consultation occurred with customers and the Local Authority.

It was a common misconception that a smaller bus was cheaper to run, although they are cheaper in initial cost, and there was a small saving in fuel, the wage of the driver was the same, and the parts and labor to maintain the bus was similar. The salary of the driver is 16% of running a bus, and a smaller bus can carry fewer fares, limiting its financial potential.

To establish a new route was difficult and there are few examples from around the county of a new route being established successfully. Usually, a route is extended after thorough market assessments and research. Each bus required £100,000 a year revenue to break even. Prior to the pandemic, Stagecoach made 6.5 million a year in profit. New routes that were likely to be created would be with assistance from Section 106 funding.

Councillor Molyneaux asked about adapting the 125 routes in Adlington, she explained that the existing route did not meet the needs of the community. Prior, during works electrifying the rail line, the 125 was detoured and went down Railway Road, and the bus was well used, but since the end of the detour, there were bus stops but no buses. A re-routed bus would solve a considerable amount of issues including social isolation.

Matt Davies explained that bus routes work the best when they are simplest. If a route was to be split, with a single bus or two per hour detoured, it would cause an imbalance in the frequency of the bus route, it would increase the journey time, and it would be difficult to prove the increased time and change to the schedule would meet the required revenue and patronage. He added that if there was a commercial interest in making changes to the routes, it would have been done.

Councillors said that buses were still bunched at the bus stops. Councillor Molyneaux felt that a slight alteration to the route would add little time to the route and would increase passenger use and decrease social isolation within the village, and enable residents to get to the GP surgery, library, and pensioner groups.

Councillor Hargreaves praised the 125 service as it was close to the train station for her use but enquired if there were family tickets to assist those families in low income areas. James Mellor explained that there was a family ticket for two adults and three children costing £11.50 a day. The ticket covered Preston, South Ribble, Chorley and Bolton. It was added that they were aware that they needed to better promote and advertise all their tickets.

Councillor Lennox asked about the 70-day notice, as she represents Astley Village and Buckshaw Village, and the bus that was running through Astley Village was removed without any notice to passengers. She added that a significant issue preventing people from using the buses is that the buses go to places that people don't want to go, and there was an unequal distribution between one side of Chorley against the other. She felt that Chorley lost a good service when the Chorley Circular ended years prior.

Matt explained that the policy of the 70-day notice was introduced relatively recently, and it would be the reason for the lack of notice for that service. Consultation would occur for major change to routes and frequency. Stagecoach do not reduce services or withdraw them if they are viable. It is not in their interest to do this. James added

that the 109 was originally every 15 minutes, and that was paid for by the Section 106, which was funded for five years. The service proved to not be sustainable for that level of frequency and it was decreased to every 30 minutes. At present it was difficult for the two an hour to be commercially viable, any further decrease would be an unattractive service and use would fall.

At present, there had been various trials with on demand transport, but it had proved to not be viable and required external funding support. Instead, a focus had been made on ensuring greater information was available about services and routes, to enable passengers to track the bus and pay contactless.

Councillor Clifford asked about the fuel mixture used for the fleet and how soon were Stagecoach intending on becoming zero net emission.

Matt said that the newest buses in the fleet used basic diesel, but was Euro 6, and was cleaner than a Euro 6 car, and one bus can get 75 cars off the road. He believed that the myth that diesel buses were dirty, and more polluting needed to be dispelled. Prior to Covid-19, Stagecoach pledged that after 2024, they will not purchase any new emission producing vehicles. It was hoped that the pledge could be maintained. A bus is expected to last 15 years, a single deck bus costs £180,000, and a double £250,000. An electric single deck bus cost between £380,000 and £400,000, and hydrogen cost £550,000. In addition to the cost of the bus, there were also infrastructure expenditure required. A new substation would be needed at every depot with electric buses. Hydrogen buses would require substantially modified workshops.

The cost of zero emission buses was decreasing, but without government financial support, it was hard to make a commercial case for the vehicles.

It was acknowledged that the pandemic will bring about a different course for the company. Executives have had their pay frozen, there were to be no new buses ordered in 2021.

### **Funding Opportunities**

There were limited opportunities for funding, the profit made was reinvested, and dividends paid to shareholders, although suspended this year.

Section 106 can provide funding, but with the funding of a service, it needed to prove to be financially sustainable, and it often does not happen.

Funding is offered through De Minimis, Transforming Cities, CBTF, Electric Bus Town and Metro Bus Networks and there are other avenues of funding available to extend services. The process to procure funding was competitive and often frustrating.

### **How can the council influence bus services and how they are run?**

By continuing to engage in an open manner, all the needs raised will not be able to be met, but there are other options such as talking to the MP, Central Government, Department for Transport, and Lancashire County Council.

A National Bus Strategy was needed as the bus is the widest used service of public transport but does not get the levels of funding that rail gets from Central Government.

Through good planning decisions, good access, Section 106 support, cooperation with the County Council and Direct Funding will all ensure a good bus service

### **Initiatives developed for Sustainable Public Transport**

Stagecoach have three initiatives for Sustainable Public Transport, bus priority, integrated ticketing, and digital information.

- Bus priority

During the Lockdown's when there were fewer cars on the road, the bus service was faster and more reliable. Prior to March 2020, 92% of buses were on time, and 95-96% of buses were running reliably.

Dedicated bus lanes in town and city centres improve bus journey times, and thus increases the attractiveness of the bus as an option for transportation. It was understood that reallocating road space was a tough political decision that affected motorists.

- Integrated Ticketing

Tickets can be purchased that were valid on all buses. These tickets aimed towards younger users and can be paid contactless, or through the app.

- Digital Information

The app can show where all the buses are, and journeys can be planned more efficiently.

### **Social Isolation**

The importance of the issue was understood, but it was one that was hard to solve independently. The buses are the key to tackling social isolation. The bus allowed those to gain access to health care, education, and employment. But buses need to be sustainable, the costs of operating needed to be covered.

Stagecoach currently operate a 'Back On-Board' scheme, which includes half price tickets to job seekers.

Driver and customer assistants have undergone training to help people with disabilities, and to understand their needs and provide the right service.

### **What is being done to improve the bus service**

Digital and live bus tracking available via the app, luxury seats and Wi-Fi were implemented on board, but Wi-Fi was currently suspended as a budget saving measure and deemed obsolete with the widespread use of 4G. The cleanliness of the buses has been a focal point, particularly during the Covid-19 pandemic.

Councillor Lennox and Councillor Molyneaux left 19:24

Telematics measure and ensure good driving standards. There have been marketing and advertising campaigns which have been suspended due to Covid. Currently the company was paying 100% of the operating cost with 50% of the revenue.

People need a reason to travel and it is essential that town centers remain vibrant, yet policies were needed to encourage public transport and restrict car use. Towns such as Oxford and Cambridge have implemented car parking policies that increase the cost to use of the personal car, and measures were in place meaning that the bus was a quicker and cheaper method of transportation.

Councillor Tommy Gray asked if there was still the intention of trams being introduced in Preston. Matt Davies did not know but did not believe that it would be likely due to the cost involved. One tram cost £2 million, which was the price of 20 new buses. For that price, it would be wiser to establish bus lanes or bus only roads to give a good service. Trams were expensive, and not viable without significant subsidy and infrastructure investment.

The Chair asked if Stagecoach still offered a discounted youth ticket to the Youth Zone, and it was confirmed that they did.

Councillor Hargreaves left at 19:32

## **Central Lancashire Local Plan**

Nick Small explained his role to members,

It was highlighted that as a District Council, Chorley Council had ultimate control over the Local Plan, and was urged to start on the difficult journey of restructuring the built environment not only for the bus, but for other sustainable modes of transportation. The aim should be to focus on the long term, looking 15 to 20 years ahead. The planning history of Chorley reflected the basic shape of decisions that were made in 1973, designs were made to accommodate the growing use of the car.

The current situation made it impossible to create relevant and efficient bus routes to and from Astley Village, it would be quicker to drive, walk or cycle into Chorley than to get the bus.

For the last 20 years, there have been a priority on previously developed land, new developments with curving and looping roads which were difficult for bus routes to be incorporated.

A new service required revenue and mass housing to justify an extra bus on the network. For a bus to be added to the network, 1500-1600 houses with a clear route was needed. New developments should ideally be placed near or on high frequency corridors and allow people to take advantage of an in-place bus route from day one.

The suggestion is to plan houses according to bus routes, and not expect routes to be made according to houses.

Changes can be made, a case study example was Crawley in West Sussex, a dying town network 5 years prior, but due to the implementation of a comprehensive bus

priority policy, the network has been able to thrive and the use of buses had increased by three times.

It was warned that new settlements in the middle of nowhere although less likely to meet resistance during planning and development will have greater difficulty obtaining a bus service that was sustainable.

Buckshaw Village had 1219 dwellings, there needed to be 1500 to justify a single bus, but as it was all previously developed land, it was difficult to make a bus work, and it was unlikely that the area would see any service other than a County supported route.

### **Designing streets**

The ideal street would feature dense development with wide streets. Trees, verges, with sustainable urban drainage. No on street parking with enough room for bus stops and passenger embarkment and disembarkment.

### **Challenges and opportunities**

The current bus network was commercial but there needed to be cooperation to seek more funding. Stagecoach believed that partnership was the way forward and that the bus needed to be more attractive post Covid-19 which will be a significant challenge.

Matt Davies told the Members that he and James Mellor were happy to have a session with members at any time to answer specific questions.

### **The Presentation was noted**

## **20.OS15      Date of Next Meeting**

Thursday 7 January 2021 at 18:00

Chair

Date