

		AGENDA ITEM 6
		PSEG/37/14
Committee:	Place Services and Economic Growth Scrutiny Committee	
Date:	18 December 2014	
BUS AND PASSENGER TRANSPORT STRATEGY: GETTING AROUND IN ESSEX		
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On 27 November the Committee held a workshop on the Bus and Passenger Transport Strategy: Getting around in Essex to enable its members to learn more about the proposed Strategy and how it is being developed, as well as an opportunity to formulate some comments on the substance of the proposals and their implementation. A report summarising the information exchanged at the meeting and conclusions reached is attached at the Appendix.

Since the Cabinet approved the consultation on 20 November a lot of interest has been expressed on the Strategy. Consequently it has been decided to launch the consultation in the New Year for an eight week period so that interested parties have sufficient opportunity to submit comments.

Action Required by the Committee:

That the Committee consider its endorsement of the attached report, and forwarding its conclusions to the Cabinet Member for his consideration as part of the forthcoming consultation.

Appendix

Bus and Passenger Transport Strategy 'Getting Around in Essex'

Report of Place Services and Economic Growth Scrutiny Committee workshop held on 27 November 2014

Introduction

On 20 November 2014 (Minute 5) the Cabinet approved the launch of consultation on a new Bus and Passenger Transport Strategy 'Getting Around in Essex'. It focuses upon the role that buses and passenger transport play in Essex and the benefits they deliver, together with eight proposed area of strategic action to grow the bus network and passenger numbers.

On the afternoon following the Committee's formal meeting on 27 November, a workshop was arranged to enable its members to learn more about the proposed Strategy and how it is being developed, as well as an opportunity to formulate some comments on the substance of the proposals and their implementation. Councillors Erskine, Harris, Hedley, Henderson, Kendall, Pond, Robinson, Twitchen, and Walsh took part in the workshop. This report summarises the information exchanged at the meeting and conclusions reached.

Background

(Taken from Cabinet meeting papers)

The following information has been drawn from the report submitted to the Cabinet on 20 November when it gave approval to the launch of consultation on the Strategy. It is set out here to provide background on the Executive's proposals.

"Bus and passenger transport is vitally important to many people who live and work in Essex. An informal review has been undertaken. There would be significant value in growing that network and in increasing the number of passenger journeys, to individuals, communities, businesses and to the wider Essex resident and working population. We are therefore proposing an ambitious strategy aimed at facilitating growth in the commercial bus network in Essex and to streamline and increase the value of taxpayer funded bus services.'

The draft strategy was attached to the report at Appendix A (*i.e. attached to Cabinet report and not reproduced here*) including eight key strategies.

'3.2. The draft strategy is intended to be implemented within the Medium Term Financial Strategy already agreed by Cabinet.

3.3. The strategy responds to the following challenges and opportunities:

- many of Essex's roads and communities are already under pressure from congestion. This is likely to increase as economic growth accelerates.

Essex risks seeing its growth limited by congestion;

- the public transport network delivers significant economic and social benefits already, but these are not currently being maximised in Essex.

There is potential to do more, even within the current financial constraints;

- we want good value from the taxpayer funded services; and
- sustained, strong leadership and partnership working can generate change and growth.

3.4. The eight strategic actions which form the heart of the strategy have been developed in consultation with a wide range of stakeholders. This includes operators, other local authorities and bus user groups. Stakeholders are broadly supportive of the strategy, although they recognise its ambition at a time of financial pressure for the Council and the need for more detailed work as part of implementation. The core aim of the strategy is to enable growth in the commercial sector in order to maximise the economic and social benefits of bus and passenger transport. The focus of the action is therefore on:

- improving services for existing customers;
- identifying areas for growth and enabling that growth; and
- ensuring that non-commercial services are delivered in a way that maximises their value.

3.5. The Cabinet are asked to approve the strategy for consultation. If approved, the consultation will be launched in early December and run formally for around eight weeks. The Cabinet Member for Highways and Transportation would then consider the outcomes of the consultation and make the final decision on adoption.

3.6. A delivery plan would be prepared and delivery of the Strategy in its final form would then begin, with different delivery timescales for each separate element. Some changes, such as creating the Bus Strategy Delivery Board, can be made quickly. Others, such as the new procurement approach, will take one to two years to fully roll out.

4. Policy context

4.1. Essex currently does not have an overarching Bus and Passenger Transport Strategy. Its focus has been on the taxpayer funded services it procures which make up around 15% of the total network. The proposed Strategy marks a new policy direction in considering the whole bus and passenger transport network.

4.2. It is intended that the strategy would help deliver the following outcomes in the Council's Outcomes Framework:

- People Essex experience a sustainable and high quality environment
- Sustainable economic growth for Essex Communities and businesses.

4.3 It will also help deliver the Council's *Vision for Essex 2013-17* by developing and maintaining the infrastructure which enables our residents to travel and businesses to grow. It will also help ensure that we spend taxpayers' money wisely.

5. Financial Implications

5.1. In putting this strategy forward, it should be noted that the total net cost to taxpayers of current bus provision is estimated to be around £64m annually.

This breaks down broadly as follows:

- Statutory services that must be provided by law: £26m home to school transport; £20m concessionary fares; £1.2m Looked after children; and £5m adult social care. The council also has responsibility for around £1m of Bus Service Operators Grant (BSOG) which is statutory and is based on fuel consumption. Bus operators also receive BSOG direct from the Department for Transport for their commercial services; and
- Services which are discretionary: £8.3m local bus services; £1.2m Community Transport and £0.3m Park and Ride.

5.2. The benefits of that provision, and of the commercial network, are significant, both economically and socially.

5.3. The proposal would require additional project investment and it is acknowledged that this would have to be contained within allocated resources. For this, it may therefore be necessary to prioritise the spend and investment to maximise delivery of outcomes within the available resources; however the scale is yet to be fully determined following which any further investment support will be outlined. For the avoidance of doubt, the strategy will be implemented within the Medium Term Financial Strategy (MTFS) agreed by Cabinet.”

Place Services and Economic Growth Scrutiny Committee Workshop, 27 November

Bus and passenger transport across Essex is a significant issue within the Committee's remit and Members have confirmed on various occasions that they wanted an opportunity to influence improvements in its provision (eg Minute 6/October 2014 refers). While general updates have been provided (eg Minute 9/ June 2014 refers), any more detailed scrutiny engagement has been delayed on advice that the Executive was initiating a full review as part of developing a new strategy.

When confirmation was received that proposed consultation on a Strategy was being submitted to the Cabinet in November, the Chairman took immediate steps to advise the Committee of that fact and sought Members' input on planning a workshop to collate their views for input into the development of the Strategy.

Councillors Bass and Johnson were invited as Cabinet Members for Highways matters to the workshop to give an Executive overview of the proposed new Strategy and consultation.

At the outset Councillor Bass emphasised to those present that he had no preconceived notions on the final content of the new Strategy, rather at this early stage of its

development ideas and comments were being invited for input into the overall consideration of future passenger transport provision. This was the beginning of a new long term plan and, together with sensible and pragmatic ideas, he indicated that radical ideas too would be taken into consideration. One of the reasons for developing the Strategy was to work more closely with partners including the commercial bus companies and community transport providers, to maximise the combined effectiveness of resources in providing passenger transport services across the whole county and sharing of good practice. Part of the consultation process would be identifying ways with partners for the delivery of better value for money in the future.

While Members sought clarification from Councillor Bass on how he proposed to take forward the aspirations set out in the Strategy, he insisted that at this stage no targets or constraints had been set and his aim was to seek ideas on how the Strategy could evolve. Furthermore his aim was to achieve consensus on more detailed proposals with partnership working being a key component of his approach.

On the issue of the timescales envisaged for the development and implementation of the new Strategy, again Councillor Bass was unable to confirm any dates and would not prejudice any Cabinet decisions. The development of the Strategy would be dependent upon the outcomes of the consultation with the timing and implementation of proposals varying according to action may need to be taken. Some proposals such as the setting up of Bus Strategy Delivery Board could be achieved quickly, whereas proposals that may depend upon investment by bus operators may be longer term allowing for their allocation of budget in order to make changes.

In accordance with the arrangements made for the workshop and the Committee having had the opportunity to cross examine Councillor Bass about the new Strategy, the Cabinet Members left the meeting.

The next part of the workshop was opened with a quick quiz about buses to challenge Members' knowledge, which led into an interactive presentation delivered by Helen Morris, Head of Commissioning Infrastructure, and Dan Fryd, Senior Policy and Strategy Advisor (Place).

During the presentation the steps taken so far were reaffirmed including the reasons for pursuing a new strategy, and the preliminary consultation that had happened so far with district councils, parish groups, operators, community and interest groups.

Members were reminded of the briefing that the Committee had received in June 2014 (Minute 9), and the information that had been exchanged. In June Officers had focused on the history of bus services and networks and, in particular the changing role of local authorities and the statutory framework. An overview had been given of the changing nature of the delivery mechanism – from a municipal model to a largely commercial one; and the role of the County Council and the main regulator: the Traffic Commissioner. In turn the Committee had raised a range of issues that had been noted and woven into the development of the strategy as follows:

Scrutiny Committee said...	Point reflected in ...
Service is poor. Buses are unreliable and complaints aren't handled well	Action 2: Customer Quality Commitment
Home to school is costly and produces a lot of appeals	Action 8: Focussed local planning
A lot of people – particularly in rural areas and older people rely heavily on the bus	Action 4,6 & 8: Support for valuable services, tailored solutions, local planning
Schemes like community transport are important	Action 4,6 & 8: Support for valuable services, tailored solutions, local planning
The bus operators aren't engaged	Action 1: Working in partnership
We are worried about what cuts will do to our communities	Action 4,6 & 8: Support for valuable services, tailored solutions, local planning
Young people struggle to afford travel-including to training and work	Action 7: Ticketing
We aren't sure we have the right network or deliver the right service	Action 8: Focussed local planning

Note: In Autumn 2012 a motion was referred to the Scrutiny Committee from Full Council proposing scrutiny engagement in a review of the feasibility of extending concessionary travel to include 18-24 year olds in receipt of Job Seekers Allowance or undertaking apprenticeships. In practice, after some preliminary investigation the Committee agreed that a broader review of integrated passenger transport would be preferable as there was some concern that tackling small unique public transport issues would fail to achieve any overall lasting benefits. It is noted that action 7 in the new Strategy includes a review of the scope of concessionary travel schemes.

At the workshop on 27 November the Committee received a PowerPoint presentation on the development and content of the proposed Strategy.

Summary of Presentation

Local Buses

- The provision of local bus services is the County Council's largest area of discretionary spend.
- It delivers essential services to residents, mostly rural, evening and Sunday services, supporting the local economy, access to work, health services, shops and leisure.
- It keeps communities across Essex connected and helps individuals live independently.
- The Council's strategy is to:
 - move those services that have a low per passenger journey subsidy into the commercial sector so the County Council can target its support where it's most needed
 - reduce the costs of the middle range services, by enabling and incentivising greater passenger use to increase revenue
 - reduce the costs of the most expensive services by looking at innovative solutions, such as demand responsive transport

But County Council provided services are only a small part of the overall strategy

'Getting around in Essex'

An ambitious strategy to make Essex a better place to live and work by:

- Enabling a growth in the commercial bus network
- Increasing the value of council funded bus services

Key features of the main Strategy

- The main strategy has eight propositions set out below
- Its core is about enabling growth in the commercial sector
- It is delivered through close partnership working
- Publishing a strategy enables the County Council to set out a clear set of shared aspirations, and work with partners to deliver the same set of priorities

Proposition 1: Partnership working

Create a Bus Strategy Delivery Board, led by the Council to bring bus operators, local authorities and community and passenger groups together to identify joint strategic aims and outcomes and oversee delivery of the Strategy

Proposition 2: A Customer Quality Commitment

A clear commitment to customers on the standard of service they can expect.

Covering:

- Frequency and reliability
- Live, real time information and planning
- High vehicle standards, including interior, cleanliness and Wi-Fi
- Driver standards and training

–Commitments to work with communities and local groups

To get more people travelling by bus, buses need to compete more effectively with the car and that means a step change in service quality

Proposition 3: Better, well used services

- Supporting links between operators and local highways panels to enable infrastructure measures to be identified and prioritised
- Joint marketing to promote bus use in general
- Revitalised travel planning, around points of heavy travel use e.g. railway stations, hospitals, business parks etc.
- A more strategic approach on new developments to ensure services are commercially provided
- Using digital information to identify unmet demand locally
- Identifying potential growth in commuter and inter urban routes

There is a lot the County Council can do to bring partners together and push for growth in the areas that would most benefit Essex

Proposition 4: Support for high community value, but un-commercial, transport services

- Incentivise operators to grow passenger numbers by moving to contracts where operators retain the fare revenue and which run for a minimum five year period. Include tapering payments options to encourage bids based on passenger growth
- Restructure contracts for local bus and schools services so they can be more easily tendered together, increasing efficiency
- Move toward outcome and area based tenders while still encouraging a diverse supplier base
- Explore the merits of quality bus contracts and partnerships

The way the County Council structures its commercial relationships can incentivise the market to achieve its outcomes

Proposition 5: Good customer information

- Real time planning and information, including personalised information available digitally
- Engaging communities in route development and demand generation

If the County Council want to attracts a new breed of customer on the bus then there is a need to provide good, reliable and accurate digital information in an easily accessible format

Proposition 6: Tailored Solutions

- Alternatives to a traditional, timetabled bus route for those areas and times where there is prohibitively expensive (mainly rural and late night)
- Work with communities, operators and taxi firms to develop tailored solutions that

are cost effective

Traditional bus routes work well in areas of dense population where people are travelling to a common single destination, but a lot of Essex isn't like that, but effective public transport is still essential to the people who live there

Proposition 7: Ticketing

- Develop a mechanism that (is consistent with competition law) but helps passengers assess ticket and journey cost – potentially based around 'travel zones'
- Develop integrated smart ticketing so customers can use a single smart ticket on any bus at any time of the day

Having a modern, easily accessed, ticketing system that meets people's different travelling needs and provides good value is important to growth

Proposition 8: Focused local network planning

A 'blank sheet' review by quadrant of demand for travel services, identifying chances to address specific issues (such as reducing congestion) or unmet demand and developing location specific solutions and routes, across both commercial and supported bus networks.

Many current bus routes evolved from historic demands and trends. The network needs updating. However, the diversity of Essex means there will never be a 'one size fits all' solution

Summary on 'Getting Around in Essex'

- A strategy based on driving passenger growth across the commercial and contracted networks that will enable us to improve service quality, contribute to the Council's seven key corporate outcomes, help manage congestion and deliver a better value supported network for taxpayer's money
- It will require significant leadership from the Council
- But the potential benefits are significant.
- The document itself would be similar in approach to 'Flights of Fancy' and 'A Shock to the System' and be jointly badged with partners
- The strategy is ambitious but deliverable

During discussion it was confirmed that bus operators understand the reasons why the County Council wants to develop the Strategy, which will be jointly badged with partners. As an area Essex does present a challenging environment for developing bus services because of its urban and rural character, with its population being high density as well as spread out. It was noted that as a Local Authority the County Council is in fact generous in the amount of subsidies it provides for maintaining non profitable services. The Strategy could take between five and seven years to deliver taking into

account the changes required including procurement considerations, partnership working, and not least the behavioural changes envisaged.

With particular reference to the consultation the Committee drew focus to the following points:

- It must be ensured that the consultation is accessible to as many people as possible, thus it should be published in various formats so that everyone can submit comments without difficulty. Although it was acknowledged that it is difficult to engage the interest of people who do not use buses, it is still important to try and obtain their feedback to inform the development of the Strategy.
- It is important to capture the views of young people as they may be more inclined to change habit in favour of using bus services.
- Schools should be encouraged to stagger their opening times so more effective use could be made of bus services, and reduce congestion that affects the reliability of some bus routes.
- Partnership working is a key feature of the Strategy, and the role of other public bodies such as district and parish councils should not be overlooked.
- Community transport needs to be promoted more effectively.
- The proposed delivery board should be in a position to hold partners to account, and there should be county councillor representation included in its membership. It should have clear terms of reference and be realistic in what it can or cannot do.

Conclusions

The Committee welcomed the in depth review of bus and passenger transport and, inter alia, the development of the new Strategy. The workshop had proven a valuable opportunity to learn about the work being undertaken. Nonetheless Members recognised that the project was at an early stage, and proposals and measures were being collated for further examination before any decisions would be made. Given the significance of the services to individuals and the economy the Committee reiterated its wish that it be kept up to date on the progress of the Strategy and that it be proactively engaged so that it can influence in practice decisions going forward.

During the workshop Members were reassured that their comments would be taken in to account, and indeed were encouraged to submit their own individual comments on the Strategy to the Cabinet Member for consideration as part of the consultation. With particular reference to the proposed Bus Strategy Delivery Board no particular consensus had been reached during the workshop, and so it was suggested that Members submit their ideas separately.

In conclusion it was agreed that Members' comments expressed at the workshop be forwarded to the Cabinet Member to be taken into consideration as part of the consultation process.
