

|                       |  |
|-----------------------|--|
| <b>MEETING</b>        | <b>COMMUNITY SCRUTINY COMMITTEE</b>                            |
| <b>DATE</b>           | <b>4 December 2012</b>   |
| <b>TITLE</b>          | <b>Local Bus Services and Learner Transport</b>                |
| <b>PURPOSE</b>        | <b>To Raise Awareness and Update of the Process</b>            |
| <b>REPORT BY</b>      | <b>Aled Davies – Head of Regulatory Department</b>             |
| <b>CABINET MEMBER</b> | <b>Cllr. W. Gareth Roberts, Cabinet Member for Environment</b> |

## **1. BACKGROUND**

- 1.1 Gwynedd Council is currently undertaking an overview and review of passenger transport services operated on its behalf. The scope of the review includes transport for learners and local bus services.
- 1.2 The work regarding learner travel focuses on providing transport that the Authority has a statutory, or policy, requirement to provide. The intention is to provide these in the most efficient and effective means possible.
- 1.3 When considering local bus services the aim is to provide appropriate travel opportunities for the following reasonable core needs:
- Commuting
  - Access to services
  - Shopping
  - Socialising
  - Leisure and tourism
- 1.4 Specific attention is given to reducing the number of empty seats on vehicles that provide local bus services.

## **2. CURRENT ARRANGEMENTS**

- 2.1 For bus services to work effectively, from the perspective of being financially and environmentally sustainable, it requires a population density or at least a critical mass of passengers who want to travel between two locations, or on the route between them regularly. A move from this principle leads to a situation, where the average number of passengers is low, that requires a substantial amount of subsidy to maintain them.
- 2.2 With the growth in the levels of car ownership, where often households will have more than one car, the viability of local bus services has suffered due to a decline in usage. Factors such as convenience and flexible working opportunities have affected peoples travel patterns and made them less consistent. In turn, this has made it more difficult to design and provide bus networks that fulfil needs in an attractive way. This said bus services can be very important to those who are dependant on them to make essential journeys with between 75-80% of public transport journeys in Wales being made by bus. It is possible that with increasing motoring costs there will be an increase in the numbers that depend on bus services.

- 2.3 In 2010/11 £1,655,062 was spent on subsidies to support the local bus network in Gwynedd. £576,447 of this total was received from the Welsh Government's Local Transport Service Grant. Gwynedd Council's contribution to maintain the bus network was £1,078,615.
- 2.4 Bus networks are dynamic arrangements which mean that the type and level of service can change for several reasons over time. A bus company can decide that there is greater or less demand for services and change their provision on a route in order to respond to this. A Local Authority can adapt the level and type of service provided to reflect usage levels but there are also other factors, such as changes in the budgets available to support services.
- 2.5 Appendix 1 provides the background of the recent changes in the bus services between Aberystwyth and Bangor. This example outlines the reasons why there have been changes to the network and what are some of the considerations and restrictions when seeking to respond to such a situation.
- 2.6 During November 2012 notification has been received from operators regarding the withdrawal of services provided on a commercial basis on the following routes:

35 Dolgellau – Blaenau Ffestiniog (daytime)  
X94 Barmouth – Wrexham (evenings)

These services currently don't receive public funding to maintain them.

Prices for a range of options for ongoing services to replace those being lost are being sought. However, when there is an unprecedented pressure on budgets, the challenge is to justify and find the required additional revenue funding.

- 2.7 Wherever possible, local and education travel opportunities are integrated in Gwynedd. In rural areas, this is accepted as a model of good practice in optimising resources, fulfilling the Authority's statutory and policy requirements in terms of learner travel and enhancing the level of travel opportunities available to the wider public. Appendix 2 provides details relating to arrangements for learners eligible and not eligible to free transport.

### **The Position in Gwynedd**

- 2.8 The network in Gwynedd includes a mix of services that are:

a) Fully commercial

Companies identify a local need and market and provide a service with a view of making a profit from the number of passengers conveyed.

b) Totally subsidised

Where it is deemed there is no business case to provide a service on a commercial basis the Authority pays a subsidy (x) to maintain provision. Usually the company retains the revenue from tickets (y) with x+y making it viable for them to provide the service. The placing of services on this fixed price basis tends to lead to a better level of service as there is an imperative on the companies to maximise patronage.

c) Partially commercial / Partially subsidised

The percentage or number of services or journeys provided on such a basis changes but is a mixture of a) and b) above. An example of such an arrangement is whereby services on a route maybe commercial during the day but subsidised in the evening or on Sundays.

- 2.9 Similar to a number of other counties, the bus network in Gwynedd has evolved rather than being strategically developed as no one has overall control regarding its management or an overarching vision.
- 2.10 The way services are provided can be complex. This is partly because there is an integral operational relationship between their provision, whereby local travel opportunities can be provided at marginal costs during the day by using the same resources which are primarily paid for by meeting statutory learner travel requirements.
- 2.11 Arising from changes in the ways that the Welsh Government support bus services and the industry in Wales and in the context of the financial challenges facing all local authorities, Gwynedd Council has to respond and the aim is to do this in the most positive way possible.
- 2.12 In a challenging period, therefore, the Authority has taken steps to develop a bus network that is both environmentally and financially sustainable. The objective is to provide a level of service that is useful and attractive to passengers within the resources available to maintain them.
- 2.12 In order to realise this, the Authority strives to engage the bus companies in responding to the situation. By working with the companies the hope is it will be possible to recognise efficiencies and make effective use of resources to provide services that are likely to be sustainable in the long term.

### **3. REVIEWING THE NETWORK**

- 3.1 The Authority has adopted a matrix which evaluates local bus services that receive a subsidy.
- 3.2 The factors considered within the matrix are:
- Cost per passenger
  - The type of area served (regional centre / urban centre / local centre / deprived area / rural communities)
  - Tourist area
  - Numbers (of passengers per journey)
  - Availability of other transport services
  - Time of the day / days of the week service is operated
  - Facilities served
- 3.3 Acting on the results of the matrix's evaluation would be one way of rationalising services in order to respond to the reduction in grants and realise the savings that are required.

#### **4. THE REVIEW PROCESS**

- 4.1 The process of reviewing passenger transport services has already happened in the Meirionnydd area. Attention is now being given to the Dwyfor area with the Arfon area review to be undertaken shortly afterwards. The aim is to have the new arrangements operational as follows:
- Dwyfor 18<sup>th</sup> February 2013
  - Arfon 3<sup>rd</sup> June 2013
- 4.2 Where it is not possible or appropriate to provide traditional local bus services because of the levels of subsidy required to maintain them and/or the lack of average passenger numbers. The Authority is eager to raise the profile and use of services already provided by Community Transport providers.
- 4.3 The Integrated Transport Unit intends working with local communities with a view of recognising alternative ways of maintaining travel opportunities. This could include developing 'on demand' services or projects that increase the numbers that car share or facilitating volunteer driver schemes for example. Through the review in Meirionnydd 4 'on demand' services have been introduced that have allowed the continuation of service at a lower cost.
- 4.4 During the summer 2012 a consultation process with service users was undertaken. Over 800 responses to questionnaires from bus passengers have been collected. This also provided an opportunity to monitor the usage level of specific journeys and the standard of the services provided. The information gathered will be fed into the process as context for making decisions on the network and the provision level in the future.