

Report to: **Economy, Transport and Environment Scrutiny Committee**
 Date: **17 March 2014**
 By: **Director of Communities, Economy and Transport**
 Title of report: **East Sussex County Council Public Transport Services Commissioning Strategy**
 Purpose of report: **To advise Scrutiny Committee about the development of the East Sussex County Council Public Transport Services Commissioning Strategy**

RECOMMENDATION: The Committee is recommended to note the progress of the development of the East Sussex County Council Public Transport Services Commissioning Strategy

1. Financial Appraisal

1.1 The 2013/14 budget for public transport totals £10.9m. This consists of £7.96m for the East Sussex concessionary pass scheme for older and disabled people; £2.38m net for payments to bus operators for supported services; and £0.56m for other related Public Transport Group costs (mainly staff, bus stop infrastructure, advertising and vehicle costs).

1.2 The savings target for transport services identified during the Reconciling, Policy, Performance and Resources process totals £2.23m. This is £0.57m in 2014/15 followed by £1.66m in 2015/16.

2. Supporting Information

2.1 The development of this Strategic Commissioning Strategy will effect change in the overall configuration and nature of supported bus and community transport services so as to meet local needs. It will be a statement of commitment about the way in which we intend to procure services for the population in future.

2.2 Bus services in East Sussex are predominantly provided by bus companies on a commercial basis, without funding from the County Council. The commercially run services in East Sussex are mainly concentrated along the coastal strip and on the inter-urban routes between Brighton and Tunbridge Wells, Brighton and Eastbourne, Eastbourne and Uckfield, and Eastbourne and Tunbridge Wells. It is important to highlight that the commercial bus network transports approximately 80% of all passengers in East Sussex.

2.3 The County Council currently provides financial support to the local bus network in areas where commercial bus services are not financially viable and where it has been considered there is a social need for bus and/or community transport services. This is predominantly in parts of Lewes, Wealden and Rother districts. As well as daytime services, some evening and weekend services are also supported by the County Council. The Local Transport Plan describes how supported services are identified and prioritised.

2.4 On a typical weekday around 7,500 passengers use the East Sussex County Council supported bus network (1,400 children entitled to free travel to education, 1,700 other young people paying fares to travel to education, 2,400 concessionary pass holders, and 2,000 adult fare payers). Children travelling to school account for around 40% of all journeys on supported bus services in the county. Of the others, around 35% are using concessionary passes, and 25% are adult fare payers.

2.5 Background information about the provision of bus services in East Sussex together with relevant contextual information is attached to this report in Appendix 1.

2.6 The development of the strategy and subsequent implementation of any changes to the supported bus network will happen in a number of stages. Each stage will be supported with appropriate communications activities:

- 1) Development of the draft Strategic Commissioning Strategy (January to April 2014)
- 2) Cabinet approval of draft Strategy (3 June 2014)
- 3) Public consultation on the draft strategy (June/July 2014 – 6 weeks)
- 4) Development of the proposed Supported Bus Network (July to September 2014)
- 5) Acceptance of the final strategy and approval of the proposed Supported Bus Network plan (14 October 2014)
- 6) Public consultation on the proposed plan (October 2014 to January 2015 – 12 weeks)
- 7) Tender on a range of service specifications (20 October 2014)
- 8) Cabinet approval of the final plan (10 March 2015)
- 9) Renegotiate contracts where appropriate (11 March 2015)
- 10) Staggered implementation of new network (29/03/2015 to 23/05/2015)

2.7 Views from both internal and external stakeholders will be sought throughout the development of the strategy and the proposed supported bus network. Two public consultation stages will provide opportunities for the community to comment on what is being proposed and the involvement of the Members Advisory Group will ensure they reflect the needs of the community. The Terms of Reference for the Members Advisory group are attached at Appendix 2

3. Comments/Appraisal

3.1 Using a strategic commissioning approach will enable the County Council to understand long term need for bus services in East Sussex and the best approaches and methods for meeting that need. It will involve dialogue with residents, communities, and actual and potential service providers. It will focus on outcomes, not existing services, to enable best possible use of resources, management of markets and configuration of services to ensure a balance of cost, health, social, economic and environmental benefits.

3.2 This approach will achieve the following objectives:

- Establish the County Council's strategic outcomes for supported bus and community transport services;
- Consider how best to balance the identified needs against value for money, deliverability, risks and implementation timescales;
- Deliver value for money for our customers; and
- Avoid discrimination against any particular minority group.

4. Conclusion and Reason for Recommendation

4.1 We are confident that the development of this Strategic Commissioning Strategy will ensure that the County Council secures the best Public Transport outcomes for East Sussex residents in the future. By understanding need, matching supply with need and making the most effective use of all available resources, it will be possible to identify savings. It will also provide the 'springboard' to consider new and innovative ways of meeting customer expectations and our priorities.

RUPERT CLUBB
Director of Communities, Economy and Transport

Contact Officer: Nick Skelton 01273 482994
Local members: All

BACKGROUND DOCUMENTS:

None

Public Transport in East Sussex

Summary

Introduction

This document contains background information about the provision of bus services in East Sussex together with relevant contextual information. Topics covered include the legislation that governs the provision of bus services and the council's priorities and policies that are in place to deliver these statutory duties. It also contains an economic analysis, situation audit and information about market dynamics. This information is taken from research undertaken by Peter Brett Associates (PBA) as part of the East Sussex Re-commissioning of Public Transport Services Project. Pertinent facts from each of the five topics are included below and more detailed information is included at the end of the summary.

Provision of bus services

The Public Transport team are responsible for:

1. Managing the English National Concessionary Travel Scheme
2. Working with commercial bus operators to influence their service provision to meet the priorities of the County Council
3. The provision of supported local bus services where not offered on a commercial basis

Bus services in East Sussex are predominantly provided by bus companies on a commercial basis, without funding from the County Council. The commercially run services in East Sussex are mainly concentrated along the coastal strip and on the inter-urban routes between Brighton and Tunbridge Wells, Brighton and Eastbourne, Eastbourne and Uckfield, and Eastbourne and Tunbridge Wells. It is important to highlight that the commercial bus network transports approximately 80% of all passengers in East Sussex.

The County Council currently provides financial support to the local bus network in areas where commercial bus services are not financially viable and where it has been considered there is a social need for bus and/or community transport services. This is predominantly daytime services in parts of Lewes, Wealden and Rother districts. As well as daytime services, some evening and weekend services are also supported by the County Council.

On a typical weekday around 7,500 passengers use the ESCC supported bus network (1,400 children entitled to free travel to education, 1,700 other young people paying fares to travel to education, 2,400 concessionary pass holders, and 2,000 adult fare payers). Children travelling to school account for around 40% of all journeys on supported bus services in the county. Of the others, around 35% are using concessionary passes, and 25% are adult fare payers.

Budgets

The 2013/14 budget for public transport totals £10.90m. This consists of £7.96m for the East Sussex concessionary pass scheme for older and disabled people; £2.38m net for payments to bus operators for supported services; and £0.56m for other related Public Transport Group costs (mainly staff, bus stop infrastructure, advertising and vehicle costs). The savings target for transport services identified during the Reconciling, Policy, Performance and Resources process totals £2.23m. This is £0.570m in 2014/15 followed by

£1.66m in 2015/16. These savings will be achieved through the development of a Strategic Commissioning Strategy for bus services in East Sussex. This strategy will set how the County Council will secure the best outcomes for East Sussex residents, by understanding need, matching supply with need and making the most effective use of all available resources, irrespective of whether services are provided in-house, or externally.

Statutory Framework

The County Council's statutory duties and responsibilities related to Transport, education and Adult Social Care are covered in the paragraphs below.

The Transport Act 1985 provides the framework for the operation of local bus services in Great Britain and defines the duties of a local transport authority. The Local Transport Act 2008 provides additional flexibility for local authorities in relation to bus services and community transport provision.

The 1944 Education Act, the Education Act 1996 and the Education and Inspections Act 2006 determine the statutory requirements for transporting eligible pupils to and from school.

The National Health Service and Community Care Act 1990, the Chronically Sick and Disabled Persons Act 1970 and National Assistance Act 1948 determine how transport is made available to users of adult social care services.

There are currently no specific proposals for new legislation directed towards local transport or bus services or transport arrangements within adult social care services. However there are reforms to the bus service operators grant (BSOG) which may impact on high mileage inter-urban and rural services. The raising of the education participation age (RPA) could also have an impact on school and college transport.

Policy

A number of policies and plans have relevance to the development of the bus service strategy. This includes the East Sussex Local Transport Plan (2011 – 2026) (LTP3), the Council Plan, the Living Longer Living Well commissioning strategy and a number of school travel policies and strategies.

The PBA research has identified that there are a number of interactions and co-dependencies between these policies. Any changes to current provision could cause areas of potential conflict and the achievement of high level policy pledges the Council has made could be at risk.

Economic Analysis

Bus Services play a role in the local economy. This includes the contribution made by bus passengers as employees, shoppers and users of leisure facilities, the wellbeing impacts and finally by bus operators through their expenditure.

Research suggests that users of the supported local bus network make a major contribution to the local economy of East Sussex: taking account of the gross value added (GVA) by commuters, the retail and leisure spend by other users, and the earnings of staff employed by bus operators, the total economic value of the supported local bus network is estimated to be £30.7m. This compares to the direct cost to the Council of providing these services, which is £2.145m. This is equivalent to a 'multiplier' effect of 14.3.

Situation Audit

PBA have considered key demographics such as car ownership and indices of multiple deprivation and their relationships with transport provision and need. Average car ownership in East Sussex is 1.3 vehicles per household with 22% of households having no access to a car. The Hastings and Bexhill areas are the most deprived in East Sussex, with Wealden being the least.

Bus use has been on an upward trend in East Sussex in recent years, particularly since the introduction of the English National Concessionary Travel Scheme (ENCTS) in 2006.

Service provision in the county is broadly grouped into three main categories – urban services, inter-urban services and rural service. The commercial networks primarily focus on key inter-urban corridors and frequent urban services.

Market Dynamics in East Sussex

The local commercial bus network and the network of supported local bus and education transport services, operate as different types of market:

- In the commercial network, suppliers are free to compete with other operators '**on the road**', and are also free to determine the services they provide and at what price through their fares structures; and
- In the supported network, including the supported education network, the competition is '**for the road**', and suppliers have to bid to win sole operating rights by demonstrating best value for money through the local authority tendering process.

In each case independent businesses can make their own choices about how they behave, in the first case directly in relation to passenger demand, and in the second case as mediated by the local authority.

East Sussex's bus network can be loosely divided between the commercial operations which predominate in the coastal areas and the more rural, largely tendered network further inland. The commercial network has changed relatively little in recent years although alterations have tended to be positive; most additions to the network have come from the tendered sector rather than the commercial sector.

Community Transport (CT) provides transport for a relatively small number of people across the county. There are a number of CT organisations providing registered bus routes on limited days of the week. CT operators also provide Dial-a-ride services and community and voluntary car driver schemes.

Extract from Local Transport Plan 3 (LTP3 pages 35 and 36)

Support the delivery of Passenger Transport and Community Transport

4.44 Bus services play an important role in the economic vitality of East Sussex and the social wellbeing of its residents, with a total of 19.05 million trips being made by bus in the county in 2009-10.

BUS

Our approach is to make bus travel an attractive and realistic alternative to the private car, provide sustainable access to services, local facilities and employment opportunities for all residents and deliver increased bus use by:

- maintaining and improving the quality of commercial services, particularly through Quality Bus Partnerships in and around Hastings, Bexhill and Eastbourne:
 - promoting a stable network and coordinating service changes,
 - encouraging operators to invest in cleaner buses with low emissions,
 - encouraging integration with other forms of transport and integrating bus and train timetables where possible, and
 - providing safe waiting and travelling environments and dealing with anti-social behaviour on public transport,
- providing supported services within the following hierarchy:
 - school services for children,
 - peak time services to key centres, further education and employment,
 - daytime services to key centres, hospitals and GP surgeries, and
 - evening and weekend services to key centres and hospitals,
- enforcing parking restrictions and providing bus priority measures as funding becomes available to improve journey time reliability and punctuality,
- improving the standard of provision at bus stops and interchanges,
- providing high quality information, both in advance of an intended journey and at the time of travel, using a range of media which identifies:
 - where passengers can travel to,
 - the time it will take,
 - the frequency of service, and
 - cost,
- delivering the national concessionary travel scheme, and
- encouraging commercial operators to develop and promote discounted fares for children and young people and develop multi-operator ticketing schemes as well as the Plus-Bus bus/rail ticket.

- 4.45 The outcomes of our local accessibility assessments identified that there are accessibility issues in more isolated rural communities and in urban pockets of high deprivation, with accessibility being most difficult for the elderly. Problems were also identified for people accessing hospitals and centres of further education. However, conventional bus service solutions are not always appropriate or possible. Therefore, it is the development of community-based transport solutions, working with the voluntary and community sectors, which will help to address local accessibility issues.

COMMUNITY TRANSPORT

Our approach to Community Transport (CT) is to create an environment in which schemes can be developed to suit local needs and circumstances in a co-ordinated manner, but where county-wide best practice and support can be provided to sustain services by:

- maintaining a comprehensive, up-to-date database of all community transport operators in the county with details of the services provided, user eligibility criteria and booking arrangements,
- establishing a robust analysis approach to monitor the value for money of community transport provision and assess the value of potential new and extended community transport objectives, focusing on linking available resources to known cases of rural deprivation,
- fostering local and countywide partnerships and engagement to share best practice between the main stakeholders, the CT operators, district and borough councils, parish and town councils, the community and voluntary sector and the health sector,
- giving CT operators the opportunity to tender for passenger transport contracts as and when they are available,
- promoting the availability of CT services generally and market specific services to potential users, within the legal restrictions, building the capacity, viability and sustainability of CT operators, and
- working with partners to develop affordable Community Transport pricing arrangements and consider development of a Sussex County Card concessionary bus fare scheme.

Local Transport Plan (LTP3)

<http://www.eastsussex.gov.uk/roadsandtransport/localtransportplan/ltp3/downloadltp3.htm>

Terms of reference for the Member Advisory Group

1. Status and Function

- 1.1 The Cabinet meeting of 10 December 2013 endorsed the development of a Public Transport Services Strategic Commissioning Strategy. In doing so it also recognised that changes will have varying impacts on the community. To assist in the development of the immediate savings proposals and the development of the commissioning strategy it was agreed to set up this member group. Its aim is to support and advise on both the savings opportunities and the commissioning strategy.
- 1.2 The Member Advisory Group shall:
- Provide advice on the draft Strategic Commissioning Strategy, including how best to balance identified needs against value for money, deliverability, risks and implementation timescales.
 - Provide critical challenge to the Commissioning Strategy identified in terms of meeting the public transport needs of East Sussex
 - Provide a combined view on the implementation of the savings identified to reduce impact on vulnerable people as far as practical
 - Help to disseminate information on this Strategic Commissioning Process amongst fellow members
 - Refer matters back to Cabinet and/or Scrutiny Committees where necessary.

2. Membership

- 2.1 The Group will comprise of no more than 7 East Sussex County Councillors.
- Six are intended to be a cross-party group with the following members appointed:
Cllr Angharad Davies
Cllr Richard Stogdon
Cllr Pat Rhodohan
Cllr John Hodges
Cllr Michael Pursglove
Cllr Ruth O’Keeffe
 - The 7th shall be The Lead Member for Transport and Environment, Cllr Carl Maynard (Chair)
 - The County Council’s Assistant Director – Operations, Transport Operations Head of Service and Team Manager Passenger Transport Services shall attend as advisors and to present reports.
 - The group may be supported and advised by other relevant officers for the purpose of providing legal, financial and technical advice.

- 2.2 Members shall be entitled to appoint a substitute councillor who may attend any meeting of the Group in place of the appointed councillor.

3. Chair

- 3.1 The Chair will be the County Council’s Lead Member for Transport and Environment.
- 3.2 In the absence of the chair the Group shall appoint a Chair for that meeting from amongst the Members present at the meeting.

4. Frequency of meetings

- 4.1 Meetings of the Group are expected to be held monthly for the initial 4 month period. After this, meetings may be less frequent.

5. Agenda

- 5.1 Prior to the meeting of the Group the Transport Operations Head of Service will circulate the agenda and any reports to be discussed.

