

Appendix 4 – Financial Analysis

4.1. Introduction

In line with our intention to deliver the lowest possible council tax, all Council spending must demonstrate value for money and represent a cost effective use of funds.

The Strategy sets that once data is available for passenger numbers and trip purposes on the new network, a value for money analysis will be carried out for each route. This will take into account:

- the number of passengers using it
- the purpose of their trips
- the subsidy per passenger

Those routes with relatively low subsidies that carry large numbers of passengers on 'high priority' trips, will be favoured for ESCC funding over routes that operate with high subsidies or carry mostly passengers using the bus for 'lower priority' purposes.

4.2. Findings

The net cost of RSBN from April 2015 has been calculated. The net cost is the cost to the Council's CET budget after taking account of funding received from Children's Services for Freedom Tickets and other sources such as developer contributions and cross-boundary income. The overall net cost also includes a fixed payment of £425,906 from the Government's Bus Service Operators Grant (BSOG) which was previously paid to individual bus operators of tendered services in East Sussex.

To provide a measure of value for money, this net cost has been divided by the estimated annual number of passengers per service based on data to the end of December 2015, to give a net subsidy per passenger.

The average subsidy per passenger for the new RSBN is £0.75, compared to the figure of £0.81 for the supported network before April 2015.

Table 3: Subsidy per passenger

Service	Route	Payment to Operator	ENCTS retained by ESCC	Freedom Tickets	Other Revenue	Net Subsidy	Estimated Passengers	Subsidy per Passenger
153	Eastbourne & Polegate Dial a Ride	£28,426.00	£0.00	£0.00	£0.00	£28,426.00	1,576	£18.04
354	Ticehurst-Wadhurst rail link	£26,920.52	£0.00	£0.00	£0.00	£26,920.52	2,135	£12.61
152	Lew es Dial a Ride	£19,185.24	£0.00	£0.00	£0.00	£19,185.24	1,570	£12.22
151	Seaford Dial a Ride	£21,035.24	£0.00	£0.00	£0.00	£21,035.24	3,622	£5.81
493	Seahaven Academy-Denton	£20,221.92	£0.00	£0.00	£0.00	£20,221.92	4,447	£4.55
225	Crow borough-Heathfield-Battle	£16,572.00	£3,785.09	£0.00	£0.00	£12,786.91	3,093	£4.13
143	Lew es-Hailsham	£11,481.24	£0.00	£0.00	£0.00	£11,481.24	2,800	£4.10
252	Heathfield-Tunbridge Wells	£14,042.00	£0.00	£0.00	£1,260.97	£12,781.03	3,136	£4.08
23B	Hastings-Conquest Hospital	£13,928.72	£0.00	£0.00	£0.00	£13,928.72	3,447	£4.04
349	Bodiam-Hastings	£12,706.70	£0.00	£0.00	£0.00	£12,706.70	3,306	£3.84
494	Seahaven Academy-Saltdean (pm)	£19,661.18	£0.00	£0.00	£0.00	£19,661.18	5,172	£3.80
318	Heathfield-Uckfield-Ringmer College	£17,821.28	£0.00	£0.00	£0.00	£17,821.28	4,742	£3.76
156	Rye Dial a Ride	£7,973.92	£0.00	£0.00	£0.00	£7,973.92	2,146	£3.72
129,423	Lew es-Winterbourne; Lew es-New haven	£90,384.67	£5,450.29	£0.00	£0.00	£84,934.38	27,994	£3.03
460	Etchingham-Bexhill College	£21,042.00	£0.00	£2,890.20	£0.00	£18,151.80	5,993	£3.03
305	Haw khurst-Battle	£31,585.63	£0.00	£0.00	£3,455.47	£28,130.16	9,328	£3.02
246,248,249,262	Uckfield Area Service; Uckfield Rover	£19,460.99	£6,567.44	£0.00	£0.00	£12,893.55	4,396	£2.93
40,42	Berw ick-Seaford; Berw ick-Hailsham	£11,020.08	£0.00	£0.00	£0.00	£11,020.08	4,062	£2.71
166,167,168	Lew es-Haywards Heath; Lew es-Burgess Hill	£157,886.33	£4,755.37	£12,747.10	£11,629.31	£128,754.55	47,862	£2.69
484	St Leonards-Robertsbridge CC	£22,192.63	£0.89	£3,774.60	£0.00	£18,417.14	6,865	£2.68

Table 3: Continued

Service	Route	Payment to Operator	ENCTS retained by ESCC	Freedom Tickets	Other Revenue	Net Subsidy	Estimated Passengers	Subsidy per Passenger
B67-79	Battle Area Community Bus	£15,266.63	£0.00	£0.00	£0.00	£15,266.63	5,904	£2.59
349	Bank Holiday bus service	£1,805.86	£0.00	£0.00	£480.35	£1,325.51	537	£2.47
54	Uckfield Town Service	£18,576.15	£0.00	£0.00	£0.00	£18,576.15	7,626	£2.44
124	Alfriston-Ringmer College	£16,632.12	£0.00	£0.00	£0.00	£16,632.12	6,867	£2.42
411	Pett-Rye College	£28,640.00	£0.00	£10,697.00	£0.00	£17,943.00	7,527	£2.38
461	Peasmarsh-Bexhill College	£21,042.00	£0.00	£3,313.10	£0.00	£17,728.90	7,579	£2.34
122	Barcombe-Lewes	£31,358.92	£0.00	£0.00	£0.00	£31,358.92	14,838	£2.11
254,304	Bank Holiday bus service	£2,806.02	£0.00	£0.00	£399.20	£2,406.82	1,283	£1.88
256	Wadhurst-Tunbridge Wells	£44,431.72	£0.00	£0.00	£16,482.41	£27,949.31	14,938	£1.87
31	Heathfield-Hurst Green	£24,172.73	£0.00	£0.00	£0.00	£24,172.73	13,080	£1.85
356	Hove-Claverham CC	£32,220.00	£0.00	£11,874.20	£0.00	£20,345.80	11,725	£1.74
95	Bexhill-Battle-Conquest Hospital	£4,475.45	£0.00	£0.00	£0.00	£4,475.45	2,776	£1.61
94,96,97	Bexhill Local	£65,138.11	£22,748.93	£0.00	£0.00	£42,389.18	28,645	£1.48
51	Cavendish School-Bridgemere	£15,308.65	£0.00	£0.00	£0.00	£15,308.65	10,470	£1.46
155	Hastings Dial a Ride	£7,746.90	£0.00	£0.00	£0.00	£7,746.90	5,600	£1.38
252	Heathfield-Tunbridge Wells	£34,358.40	£0.00	£914.80	£4,483.78	£28,958.82	22,939	£1.26
426	Argos Hill-Crow borough	£33,120.00	£0.00	£21,282.20	£0.00	£11,837.80	9,874	£1.20
55	Beachlands-Langney	£61,790.28	£0.00	£24,448.20	£10,500.00	£26,842.08	22,649	£1.19
342,382	Northiam-Westfield; Westfield-Robertsbridge	£32,399.00	£0.00	£13,929.40	£0.00	£18,469.60	16,167	£1.14
23,23A	Hastings-Conquest Hospital	£25,659.61	£0.00	£0.00	£0.00	£25,659.61	22,827	£1.12
483	Peasmarsh-Robertsbridge CC	£32,037.00	£0.00	£14,024.40	£0.00	£18,012.60	16,197	£1.11
71	Silverhill-William Parker School	£17,096.31	£396.84	£400.00	£0.00	£16,299.47	15,515	£1.05
224	Wadhurst-Mayfield-Crow borough	£15,555.12	£6,762.75	£0.00	£5,083.58	£3,708.79	3,576	£1.04
123,126	Lewes-New haven enhancement; 126 am sch jou	£16,212.90	£0.00	£0.00	£0.00	£16,212.90	15,900	£1.02
72,75,76	Hastings-Helenswood School	£87,922.47	£286.15	£21,383.40	£0.00	£66,252.92	70,468	£0.94
121	Lewes-New ick 1835 journey	£1,200.18	£0.00	£0.00	£0.00	£1,200.18	1,287	£0.93
226	Crow borough-Rotherfield local service	£22,068.28	£7,064.41	£0.00	£10,276.76	£4,727.11	5,566	£0.85
150	Four towns service	£7,778.52	£0.00	£0.00	£0.00	£7,778.52	9,423	£0.83
312,313,342	Rye Area services	£127,896.19	£18,625.43	£34,937.30	£31,362.98	£42,970.48	63,702	£0.67
228,229	Crow borough Town Service	£35,101.94	£0.00	£0.00	£0.00	£35,101.94	59,172	£0.59
7,27,29,347	Hastings Town Service; Hastings-Pett	£85,749.00	£51,826.43	£12,927.60	£0.00	£20,994.97	36,813	£0.57
357,359	Hastings-St Richards College	£38,276.19	£589.82	£12,620.50	£0.00	£25,065.87	48,905	£0.51
313	Northiam-Rye school journeys	£33,544.73	£0.00	£26,839.80	£0.00	£6,704.93	13,086	£0.51
95	Bexhill-Conquest Hospital	£31,711.76	£0.00	£0.00	£0.00	£31,711.76	89,647	£0.35
259	Bodle Street-Heathfield Community College	£2,976.00	£0.00	£0.00	£0.00	£2,976.00	8,593	£0.35
455	Netherfield-Claverham CC	£27,566.00	£0.00	£25,349.60	£0.00	£2,216.40	9,892	£0.22
119,120,492	Seaford Local-Seahaven Academy	£75,385.65	£60,044.09	£9,474.20	£0.00	£5,867.36	63,372	£0.09
145	New haven Town Service	£29,527.13	£28,127.20	£0.00	£0.00	£1,399.93	20,062	£0.07
228,229	Crow borough Town Service	£33,528.77	£766.37	£0.00	£32,762.40	£0.00	3,084	£0.00
1,51	Eastbourne-Roebuck Park	£141,223.46	£0.00	£0.00	£141,223.46	£0.00	60,053	£0.00
28	Hastings-West Hill-Ore-Conquest Hospital	£8,786.40	£0.00	£0.00	£8,786.40	£0.00	24,551	£0.00
101	Hastings-Fairlight-Winchelsea Beach-Rye	£16,800.00	£0.00	£0.00	£16,800.00	£0.00	10,769	£0.00
125	Lewes-Alfriston-Eastbourne	£7,897.60	£0.00	£0.00	£7,897.60	£0.00	4,575	£0.00
126	Seaford-Alfriston-Eastbourne	£9,827.37	£0.00	£0.00	£9,827.37	£0.00	4,449	£0.00
261	East Grinstead-Uckfield-Barcombe-Lewes	£7,897.60	£0.00	£0.00	£7,897.60	£0.00	4,022	£0.00
Total		£2,014,063.41	£217,797.50	£263,827.60	£320,609.64	£1,211,828.67	1,044,216	£1.16
Average								£1.16
Overall subsidy per passenger after £425,906 Bus Services Operators Grant paid to ESCC from Government:								£0.75

Of the 65 service contracts, 21 have a subsidy under £1 per passenger; 17 have a subsidy between £1 and £2; 11 between £2 and £3; 7 between £3 and £4; and 5 between £4 and £5. However there are 4 in excess of £5 of which 3 are dial-a-ride services and the other is the Ticehurst-Wadhurst rail link.

One of the key mitigation measures to reduce the impact of the proposals for those with protected characteristics was the implementation of an amended proposal for dial-a-ride services. For those dial-a-rides that received financial support from the Council it was agreed to provide funding to ensure at least a 3 day a week service with some actually being offered for 4-6 days following successful discussion with the service providers.

The high cost per passenger of dial-a-ride services reflects the inevitably low utilisation associated with this type of service, but the Eastbourne and Polegate dial-a-ride service has the highest subsidy per passenger at £18.04 and is considered to be poor value for money. The operator has implemented a plan to boost service usage over the next 6 months. Unless usage of the service increases significantly it is recommended that steps are taken to reduce costs, possibly by reducing the service to 2 days a week or removing it altogether.

The financial and commercial performance of supported services is, and will continue to be, regularly monitored to confirm that expenditure continues to represent value for money in the context of available budgets and the service need.

