

<b>Project Document</b>	Executive Summary
<b>Project Title</b>	Bus Subsidy Proposal
<b>Date &amp; Version</b>	March 2010 v1.0

The Council has a responsibility to make suitable travel accessible to as many people as possible. Key requirements are optimising access to local facilities including healthcare, education and employment, and reducing social exclusion

To this end the Council oversees an annual spend of £706,580 per year on the provision of enhancements to the existing commercially run bus services. This money is spent on providing bus routes which would not be commercially viable for the private sector operators.

To put the requirement in context, in Telford and Wrekin, 96% of the bus routes are normally commercially operated (by Arriva Midlands) and 4% are provided and subsidised by the council

The council has to ensure that the limited funds available are spent in the most effective manner. It is therefore suggested that a policy is adopted to underpin the decision making process. Every case for subsidy has its merits, and there are many considerations to take into account but not all routes can be adopted. This policy is to ensure that all of the many objectives and requirements are properly and formally considered and weighed in reaching the final decision on which routes to fund. In effect the policy will set out the Councils rationale and methodology for route provision and subsidy.

The suggested policy takes into account all the Councils Key Priorities, gives consideration to National Indicators and contains an Equalities Impact Assessment. Comments from representative groups, who were consulted during the process, are included.

The result of the application of the policy will be a transparent allocation of monies to meet the needs of rural areas and to provide service to new or changing populations and demographics.

### **Rationale & Methodology**

The policy will use three priority scoring criteria:

1. **Subsidy per passenger** – the cost per passenger carried, designed to place value on the cost of the service against passengers carried in most circumstances

Subsidy per passenger	
1	>£2.50 or not known
2	£1.50 to £2.50
3	90p to £1.50
4	50p to 89p
5	<50p or covered by Rural Bus Subsidy Grant or Education funded route

2. **Accessibility** – extent to which the service meets priority transport areas for the Council. Designed to ensure that the Council pays for services which meet its' priorities

Accessibility	
1	<ul style="list-style-type: none"> <li>• More than 50% of the route is inside the Borough of Telford &amp; Wrekin</li> </ul>
2	<ul style="list-style-type: none"> <li>• Links to a site of new development (where use of S106 monies has increased the required subsidy per passenger)</li> <li>• Links to shared community facilities such as community centres accessed by older people and disabled residents</li> </ul>
3	<ul style="list-style-type: none"> <li>• Gives access to Leisure Facilities</li> <li>• Provides Access to World Heritage Site</li> </ul>
4	<ul style="list-style-type: none"> <li>• Links to an Industrial Area</li> <li>• Links to a neighbourhood area</li> <li>• Links to a site of new development (where use of S106 monies has not increased the required subsidy per passenger)</li> <li>• Links to key Rural Corridors which are in Borough</li> </ul>
5	<ul style="list-style-type: none"> <li>• Links to a Borough Town</li> <li>• Links to Princess Royal Hospital</li> <li>• Link to Telford Town Centre</li> <li>• Links to Secondary or Higher Education Establishment</li> </ul>

3. **Sustainability** – extent to which the service meets a continuing need. Designed to promote sustainability of the network, that resources are well targeted and that the contract is not there for a 'niche' requirement

<b>Sustainability</b>	
<b>1</b>	service operates on Sundays only
<b>2</b>	service operates on Saturdays only or on Saturdays and Sundays only
<b>3</b>	service operates on Sundays and on weekdays and/or Saturdays
<b>4</b>	service operates on Mondays to Saturdays
<b>5</b>	service operates on Mondays to Fridays only

Routes will be scored against these three priority criteria and ranked either **LOW**, **MEDIUM** or **HIGH** in terms of their fit to these priority areas.

<b>Score</b>	<b>Priority</b>
<b>20 or less</b>	<b>Low</b>
<b>21 to 30</b>	<b>Medium</b>
<b>More than 30</b>	<b>High</b>

It is envisaged that should there be a requirement to reduce subsidy funding overall that two routes are used:

1. A general discussion is taken with Arriva Midlands to see how overall costs could be reduced (this could be general reduction in frequencies whilst keeping routes intact)
2. Officers from the ITU review the 'Low' priority routes

Dependent upon the required level of saving the transport professionals from the ITU will propose to cabinet the most appropriate mix of general reductions and contract removal based upon discussion with Arriva Midlands and review of the Low priority routes.

The policy also states how new requests for services should be managed through the use of Section 106 monies to initially stimulate demand with a view to moving routes to a commercial basis over time (before S106 monies run out). Thereafter, should the route not be commercial and additional budget is not available, the route would be scored in the same way as existing routes and a decision made as to whether the Council should fund it by removing an existing funded route.

It is envisaged that should there be a requirement to reduce the bus subsidy budget, the place to look first would be those routes in the **LOW** category.

It is intended that subsequent to the adoption of this policy, savings proposals will be presented to CMT for consideration.

### Information on the Current provision of Services – 2008/09 Actual costs

The tables below detail the current provision of services where a subsidy payment is made:

Route	Frequency	Detail	£ 08/09	Support	Pgrs	Subsidy per Pgr	Cost to Council
<b>66</b>	Monday to Saturday Hourly	Shawbirch to Town Centre	£143,829		209,600	£0.68 (Now £0.35 upon retender in 2009)	<b>£143,829</b>
<b>23</b>		Telford to Oakengates					
<b>24</b>		Oakengates to Telford					
<b>76/77</b>	Monday to Saturday Hourly	Wellington to Coalport	£88,439	£130,644 (Rural Bus Subsidy Grant)	101,014	£0.87	<b>£39,422</b> (Average Subsidy £0.24) <b>Overall average subsidy £1.04</b>
<b>822</b>	Monday to Saturday 2 Hourly	Telford to Rodington	£43,947		50,189	£0.87	
<b>Wrekin Connect</b>	Various	Various Rural Routes	£37,618		11,647	£3.23	
<b>33/55 Sunday Services</b>	Hourly/90 Mins	Blueline, Greenline and Oakengates to Princess Royal	£8,234		13,837	£0.59	<b>£8,234</b>
<b>33/55 Evening Services</b>	Hourly	Blueline	£58,108		38,087	£1.52	<b>£58,108</b>
<b>44 Evening Services</b>	Hourly	Madeley to Leegomery	£35,398		36,800	£0.96	<b>£35,398</b>
<b>22/11 Evening</b>	Hourly	Telford Town Centre	£33,421		53,168	£0.62	<b>£33,421</b>

<b>Services</b>		CircularTelford to Halesfield, Brookside to Telford					
<b>Sub Total</b>			<b>£448,994</b>	<b>£130,644</b>	<b>514,342</b>	<b>£0.61</b>	<b>£318,412</b>

### Shared Services

Route	Frequency	Detail	£ 08/09	Shared With	Pgrs	Subsidy per Pgr	Cost to Council
<b>701</b>	2 Journeys a day term time only	Sutton Hill to Colleges	£51,436	CYP	7,034	£7.31	<b>£122,512 (CYP pay £110,218)</b>
<b>702</b>		Coalb'kdale to Colleges	£39,144	CYP	6,384	£6.13	
<b>703</b>		Little Wenlock to Well'ton Colleges	£31,934	CYP	7,857	£4.06	
<b>341/2</b>	Mon-Sat every 2 hours	Well'ton to Market Drayton	£66,279	Shrops CC	Not Available shared routes	Not Available shared routes	<b>£66,729</b>
<b>96</b>	Mon-Sat every 2 hours	Telford to Shrewsbury					
<b>113/114</b>	Mon-Sat up to 4 journeys per day	Telford to Bridgnorth					
<b>81</b>	Mon-Sat 3 journeys per day	Telford to Shrewsbury					
<b>519</b>	Mon-Sat Every 2 hours	Newport Shrewsbury	£57,153	Shrops CC	Not Available shared routes	£0.88	<b>£57,153</b>
<b>481</b>	Mon-Sat daytime	Telford to Stafford	£11,640	Staffs CC	Not Available	Not Available	<b>£11,639</b>

	half hourly Evenings and Sundays hourly				shared routes	shared routes	
<b>Sub Total</b>			<b>£257,583</b>				<b>£257,583</b>
<b>Total</b>			<b>£706,580</b>	<b>£130,644</b>			<b>£575,933</b>