

The response of the Cabinet Member for Customer Services, Libraries & Transport to questions raised at the meeting of the Budget & Finance Scrutiny Committee on 21 January 2015.

Q1 What is the likely time scale for making proposed savings? Will an impact assessment be prepared and published prior to the savings being made?

A Out of the £120k savings required between now and 2016/17, £80k saving has already been achieved on the existing bus subsidy budget as follows:

- £54k saved by utilising S106 funding for the 77.
- £10k was saved through the retendered contract on the 96 service (led by Shropshire) which saw a new operator, Bryn Melyn, take over the running of this service.
- £16k has been saved by removing subsidy for the existing 113/114 cross border service to Shifnal. As a result of the removal of this subsidy Shropshire have continued the service covering the subsidy reduction until its retendered.

As such £80k of the required £120k saving has been achieved with no impact on existing services.

For the remaining £40k, options will be considered. Arriva are currently undertaking an independent network review of their commercial services. At present we do not know the full details of this review but this could see changes to existing commercial and subsidised services. Once the outcome of these discussions are known it will allow us to identify what, if any, further changes are needed to those services currently subsidised. The intention will be to issue new tenders for subsidised services as soon as possible after September. Savings could also be achieved by absorbing the current small underspend on the concessionary fares budget which has arisen as fewer users mean a lower call on the budget.

Q2 How is it proposed to mitigate the impact of loss of subsidy? Planning obligations (S106) have been mentioned but what other funding sources are available?

A As mentioned above, £80k of saving has been made without any impact on the community. Arriva are currently undertaking an independent network review of their commercial services, at present we do not know the full details of this review but this could see changes to existing commercial and subsidised services. Part of this review will include a discussion with Arriva to determine whether any existing subsidised services can be taken on commercially. Once the outcome of these discussions are known it will allow us to confirm which services we will go out to tender later this year. Depending on the result of these discussions and calculations on the impact on subsidised services, we are also considering utilising S106 funding where possible, as with the 77, and are also considering whether there is the potential to bid for EU or Local Growth Deal Funding to fund bus services.

Q3 What consultation will take place with the community, particularly where loss of subsidy will affect our most vulnerable people (ie the elderly and disabled)?

A Where it is identified that a service will need to be changed or removed to create savings, consultation will be undertaken with the bus users group as well as undertaking consultation with those that currently use the service.

Q4 Will Ward Members be consulted and informed of any decisions which will affect services in their Ward?

A Ward members would be consulted as part of the above consultation process.

Q5 What percentage of bus routes are currently subsidised and what is the total expenditure on bus subsidies?

A Only 3% of the network is subsidised with the remaining 97% being operated commercially by Arriva. The total expenditure on bus subsidies in 14/15 is £410,000.

Q6 What is the current criteria for providing subsidised bus services and what changes (if any) to this criteria are being considered?

A The services currently being subsidised are historical in nature and the numbers of routes is very small. Therefore there is no criteria for providing subsidised bus services.

Q7 How well are subsidised routes patronised? What percentage of passengers on subsidised routes have concessionary passes? Is data available to demonstrate whether patronage is growing or reducing over time?

A Overall across the UK bus patronage is declining and this is replicated locally, where the total number of bus passenger journeys in Telford & Wrekin has reduced to 5,573,341 in 2011/12. Patronage on our subsidised services has either remained the same or has declined since 2011. Subsidised routes are operated because they do not generate sufficient revenue to be operated commercially by Arriva.

Q8 Are all subsidised routes operated by Arriva?

A Arriva currently operate all subsidised services which are tendered by Telford & Wrekin. The operator Bryn Melyn now operate the 96 service which is tendered by Shropshire. When Telford & Wrekin Council go out to tender later this year this may attract Bryn Melyn to bid for these services to expand their operations in this area thereby creating some much needed competition in the market.