



Telford & Wrekin Council

Bus Subsidy Policy

June 2015



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1. Introduction

Under the Transport Act (1985), bus companies are free to operate services on any route which they consider to be commercially viable. This means that the bus company's costs of running the service are covered by the fares they collect from passengers on the route or by concessionary travel reimbursement in lieu of fares.

In order to do this bus operators must give 56 days' notice of the introduction, withdrawal or timetable change of a service. The relevant authority for the control of services is the Office of the Traffic Commissioner and not the Local Authority, the relevant Local Authority where the bus services operate in effect has very little control regarding the operation of bus services.

There is no mandatory obligation for the Council to fund any public transport services. However, it does have powers under the Transport Acts 1985 and 2000 and Local Transport Act 2008 to enter into agreements with public transport operators to provide subsidies for services which are not available commercially.

As such the Council has always supported certain services. In 2008/2009 the cost to the Council of supporting these services was £706,580 at gross level or £576,356 at net level (after grant funding). The rural bus services grant was withdrawn in 2008 and following the Comprehensive Spending Review by the Coalition Grant in 2010 there was also a 20% reduction in the Bus Services Operators Grant (BSOG). This was in addition to the need for local authorities to find significant revenue savings on all existing budgets. As a result the Council commissioned Northgate Kendric Ash to undertake the Transport Change Programme. The result of this review included the recommendation to adopt a Bus Subsidy Policy (see below – 2010 Bus Subsidy Policy) as well as undertaking a review of existing subsidised bus services at that time.

On the back of this review the following services were tendered and awarded by the Council in 2010 to be operated by Arriva:

- Service 24
- Service 66
- Service 519
- Service 33/55 evening & weekend services
- Service 44/22/11 evening services

The Service 77 was subsequently awarded to Arriva in September 2013 in response to the growing level of development in Lightmoor and Lawley.

The Council also supports a number of cross-border services which are tendered and managed by either Shropshire or Staffordshire, these include:

- Service 81
- Service 113/114 (Telford & Wrekin subsidy withdrawn in December 2014)
- Service 96
- Service 341/342
- Service 481

In response to the need to find further savings across the Council another review of transport services was undertaken by JMP in January 2014. This identified the potential for £120,000 of savings within the bus subsidy budget. As a result an additional saving requirement of £120,000 on



the bus subsidy budget was agreed by Cabinet for 14/15 and 15/16. £80,000 of this saving was achieved in 14/15 by:

- utilising S106 funding for the 77, saving £54,000 per annum.
- £10,000 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.
- £16,000 was saved by removing subsidy for the existing 113/114 cross border service to Shifnal. Following early discussions with Shropshire Council they agreed to continuing the running of this service and covering the reduction in subsidy until it comes up for retender.

Despite the savings delivered so far, containing costs within the available bus subsidy budget remains a challenge. The need to find further savings and retender the current contracts, along with the impact of the 2015 Arriva Network Review and recommendations from the Housing Economy and Infrastructure Scrutiny Committee in March 2015 has triggered the need for a review of the existing bus subsidy policy to ensure it is fit for purpose and to allow the Council to take robust decisions going forward in relation to subsidised services.

2010 Bus Subsidy Policy

The 2010 Bus Subsidy Policy was adopted by Cabinet in 2010 and was used to award the current subsidised tenders. The bus subsidy policy used a basic set of criteria to score services in order to prioritise them. The scoring matrix used to assess the routes was as follows:

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

Accessibility	
1	<ul style="list-style-type: none"> • More than 50% of the route is inside the Borough of Telford & Wrekin



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

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

Score	Priority
20 or less	Low
21-30	Medium
More than 30	High

Due to the way this scoring system works all current tenders are scored as a high priority which led to these services being awarded in 2010. There are also a number of other limitations to this scoring system which includes:



- It only allows tendered services by Telford & Wrekin to be assessed and does not allow a comparison of cross-border services to be made mainly due to lack of information in terms of subsidy per passenger.
- Due to the use of the subsidy per passenger criteria this only allows for the assessment of the existing services where the number of passengers is known. This makes it difficult to assess and compare any new proposed routes where this information is not available.
- The limited criteria does not take into consideration the needs of users along the route including access to car, population served and deprivation in support of the Council's priorities.

The impact of the 2015 Arriva Network Review (detailed below) which come into service on 19th July 2015 means that there will be little/no data for these services on number of passengers and concessionary fares carried as part of the retendering process. This again will make it almost impossible to assess these services on the basis of the current bus subsidy policy.

Campaign for Better Transport – Buses in Crisis Report

Campaign for Better Transport undertook a national review of bus subsidy funding from 2010 – 2015 and published the 'Buses in Crisis Report'. This report looked at all local authorities in England and Wales in terms of bus subsidy budgets. The review noted that whilst Telford & Wrekin had made reductions in the bus subsidy budget since 2010 no services have been withdrawn as a result. The impact on bus subsidy budgets across the UK varies but some authorities have reduced their budgets between 50-100%.

Campaign for Better Transport identifies that a new national approach is needed to support buses and local public transport. Telford & Wrekin Council is supportive of this approach as it is clear that the de-regulation of bus services is not suitable in Telford & Wrekin where there is no competition in the market and limited influence over which services the local operator run particularly if there is no commercial incentive to do so. The recommendations from the Buses in Crisis report were as follows:

- 'Total Transport': joint commissioning of local transport - 'Total Transport' is about different public bodies pooling the commissioning of transport services. The idea was developed in a 2011 report from the Passenger Transport Executive Group (PTEG), and follows practice in other countries.
- Connectivity Fund: ring-fenced funding for bus services - A report from the transport body PTEG has proposed the creation of a 'Connectivity Fund' for bus services. This Connectivity Fund would be established by bringing together the existing BSOG fund (around £230m in 2014-15) with additional 'top slicing' from 11 other Government Departments that benefit from having good bus networks, including the Department for Work and Pensions, the Department of Health, Department for Environment Food and Rural Affairs and Department for Education, into a ring-fenced pot for local government to support bus services.
- Better concessionary travel Schemes – The report notes that a problem facing the bus industry is that the concessionary pass scheme for older and disabled people is underfunded by the UK Government in England, and by the Welsh Assembly Government in Wales. It was recommended that central government should fully fund the scheme, recognising the social and economic benefits the concessionary pass scheme brings for reducing social isolation and contributing to local and national economies.



Telford & Wrekin Council is supportive of these recommendations but it is clear that for any of these to be achieved it will require Central Government intervention and these cannot be addressed at a local level under the current system.

The report can be found at - http://www.bettertransport.org.uk/sites/default/files/research/files/Buses_In_Crisis_Report_2014_Final.pdf

Housing Economy and Infrastructure Scrutiny Committee 2015 - Transport Review: Bus Subsidies

During scrutiny of the Service and Financial Planning 2015/16 to 2017/18 (budget proposals) the Budget and Finance Scrutiny Committee recommended that the Housing Economy and Infrastructure Scrutiny Committee review the impact of savings to bus subsidies and proposed mitigation measures as part of its planned Transport Review. Following the Scrutiny meeting the Committee agreed a number of recommendations to Cabinet:

- (a) The Council should engage with Arriva as part of its Independent Network Review, to explore ways to increase service efficiencies and increase the attractiveness of bus services including to:-
 - (i) consider extending the provision of limited stop express journeys on regular services with long journey times
 - (ii) consider whether new services can be provided or services reinstated in areas with limited or no service provision
 - (iii) limit duplication in timetables across services where possible
 - (iv) provide accelerated journey times for subsidised evening and Sunday services
 - (v) consider methods to provide a through-ticket style service for connecting journeys
- (b) That the Committee receive an update on the outcome of Arriva's Independent Network Review
- (c) Ahead of the next round of tendering for subsidised services, the Bus Subsidy Policy be revised to ensure that it is fit for purpose and that the Committee receive a draft for comment before it is adopted by Cabinet
- (d) That the Council continue to encourage healthy competition in the tender process for the provision of subsidised bus services
- (e) That Transport and Planning Services should work to more regularly secure S106 planning obligations to support public transport for new developments
- (f) In the event that any service reductions are proposed by the Council, affected Communities, Ward Members, Parish Councils and Resident Groups should be widely consulted

The revised bus subsidy policy was presented to the Customer, Community & Partnership Scrutiny Committee in June 2015 and was well supported by the committee. Therefore this policy goes forward with cross-party support.

2015 Arriva Network Review

Within Telford & Wrekin approximately 98% of the network is operated commercially by Arriva. In December 2014 Arriva undertook an independent review of the existing bus network. As part of this review Arriva identified several routes that they considered to no longer be commercial and as such under the review these routes were withdrawn, these were the 23, 25 and 66 (although some



parts of these routes were replaced within the revised commercial routes). The review also looks to change existing commercial routes to make these more attractive and sees some services increase in frequency. In addition most routes have had a number change as part of this review.

Due to the timescales of the Arriva review it was clear that if the existing tendered services were to remain as they were this would leave significant gaps in the network and many areas without a service. As such the Council amended its tendered services as an interim arrangement to fill in as many of the gaps as possible until such time the services can be retendered.

The new routes proposed by Arriva will be implemented from 19th July 2015. The new commercial and subsidised routes are as follows:

Commercial (Services 1, 2, 3, 4 and 7a are supported during the evening. All Sunday services are now operated commercially)

1 Telford Town Centre – Malinslee – Dawley – Little Dawley – Brookside – Sutton Hill – Madeley – Woodside – Aqueduct - Little Dawley – Dawley – Malinslee – Telford Town Centre (every 20 mins)

2 Telford Town Centre – Malinslee – Dawley – Little Dawley – Aqueduct - Woodside – Madeley – Sutton Hill – Brookside - Little Dawley – Dawley – Malinslee – Telford Town Centre (every 20 mins)

3 Telford Town Centre – Hollinswood – Randlay – Stirchley– Brookside (every 7 ½ mins)

4 Leegomery – PRH – Wellington – Oakengates – Telford Town Centre – Stirchley – Woodside – Madeley (every 10 mins)

5 Telford Town Centre –Oakengates – St Georges – Donnington – Muxton –Lilleshall– Church Aston – Newport – Stafford (every 30 mins)

5A Telford Town Centre- Oakengates–St Georges – Donnington (10 min headway formed with service 5 between Donnington and Town Centre)

6 Wellington – Haybridge – Hadley – Trench – Muxton – Telford Town Centre – Lawley (every 30 mins)

7 Wellington – Haybridge – Hadley – Trench – Oakengates – Telford Town Centre – Overdale (every 30 mins)

7A Wellington – Haybridge – Hadley – Trench - Donnington – Oakengates – Telford Town Centre – Overdale (every 30 mins)

8 Telford Town Centre – Stafford Park – Shifnal – Albrighton – Wolverhampton (every 60 mins)

8A Telford Town Centre – Stafford Park - Shifnal (every 60 mins)

9 Telford Town Centre – Dawley – Little Dawley – Horsehay – Coalbrookdale – Ironbridge – Broseley – Bridgnorth – Wolverhampton (every 60 mins)

Supported services (currently subsidised by the council)



14 Telford Town Centre – Priorslee – Snedshill – Ketley Bank – Ketley Grange – Oakengates (60 mins)

15 Telford Town Centre – Oakengates – Wombridge – Hadley – Hadley Park – Leegomery – PRH – Shawbirch – Admaston– Dothill– Wellington – Arleston (60 mins)

16 Telford Town Centre – Malinslee – Dawley Bank – Overdale – Hadley – Hadley Park – PRH – Wellington – Dothill – Admaston – Shawbirch – Rodington – Roden – High Er call (2 hours)

18 Telford Town Centre – Madeley – Ironbridge – Broseley – Much Wenlock (2 hours)

19 Telford Town Centre – Dawley Bank – Lawley – Lightmoor (60 mins)

The following are supported by T&W and Shropshire 81, 96, 113/4, 519 and remain unchanged

X5 has a timing change and route change in Shrewsbury is commercially operated.

Re-tendering of subsidised services

The Council will be going out to re-tender for subsidised services in September 2015 with a view to awarding the new services in November 2015 and implementation from January 2016 onwards. All current routes will be tendered for but services will only be awarded on the basis of the available bus subsidy budget. Services will be prioritised on the basis of the assessment process set out in this bus subsidy policy.

Where there is insufficient budget to run all services these will be reviewed to look at options for reducing costs, securing funding from third parties i.e. parish & town councils, private sector, S106 contributions and schools. A community impact assessment would have to be undertaken for any routes under consideration for withdrawal, as part of this the Council would need to review all options for mitigating the impact particularly to the most vulnerable residents and to minimise social exclusion.

The Council's internal fleet is also currently undergoing review and options for utilising the fleet for potential services will be considered. However it is recognised that this would require the Council to have the correct licences to operate this type of service as well as the potential for further investment in ticket machines, staff and vehicles.

2. Objectives for Bus Subsidy Policy

The objectives for the new 2015 bus subsidy policy are as follows:

- Establish a multi assessment criteria against which new and existing contracts can be tested both in terms of value for money and socio-economic factors
- Create a framework which would allow decision making around the continued provision of services in terms of changing requirements both from a demand and supply point of view
- Establish rules and process whereby new requests for subsidy can be managed
- Ensure formal evaluation against agreed criteria

3. Bus Subsidy Policy



In order to provide a framework to allow existing and new routes to be assessed robustly the Council has developed a route evaluation model (Telford Route Evaluation Model – TREM). This model adopts a multi-criteria assessment approach using available planning and census data to undertake a qualitative assessment of a routes effectiveness and impact against the set criteria. The use of objective criteria with which to assess supported bus services will usefully assist in the decision-making about the contracts for new services. The criteria chosen reflects the Councils priorities in terms of:

- putting our children and young people first
- protecting and creating jobs as a 'Business Supporting, Business Winning Council'
- improving local people's prospects through education and skills training
- protecting and supporting our vulnerable children and adults
- ensuring that neighbourhoods are safe, clean and well maintained
- improving the health and wellbeing of our communities and address health inequalities
- regenerating those neighbourhoods in need and work to ensure that local people have access to suitable housing

The multi-criteria assessment chosen to review existing and new routes is as follows:

Catchment

- Population within 400m of the service

Deprivation

- Population in bottom 20% of Index of Multiple Deprivation (IMD) within 400m of the service
- Population in bottom 20% of car ownership within 400m of the service

Access to Services

- Number of education establishments served within 400m of the service (secondary and further/higher education)
- Number of health establishments served within 400m of the service (GP surgeries, pharmacies and Hospital)
- Borough Centres and key employment areas served within 400m of the service
- Railway stations served within 400m of the service

Future Development

- Number of committed housing developments served within 400m of the service
- Number of committed employment developments served within 400m of the service

Frequency

- No of buses per hour

4. Scoring of Services

Criteria for the assessment of the subsidised services

The multi-criteria analysis approach will be predominantly carried out in ArcGIS software. The following 12 routes will be assessed as part of the Council's review of bus subsidies (see Figure 1):

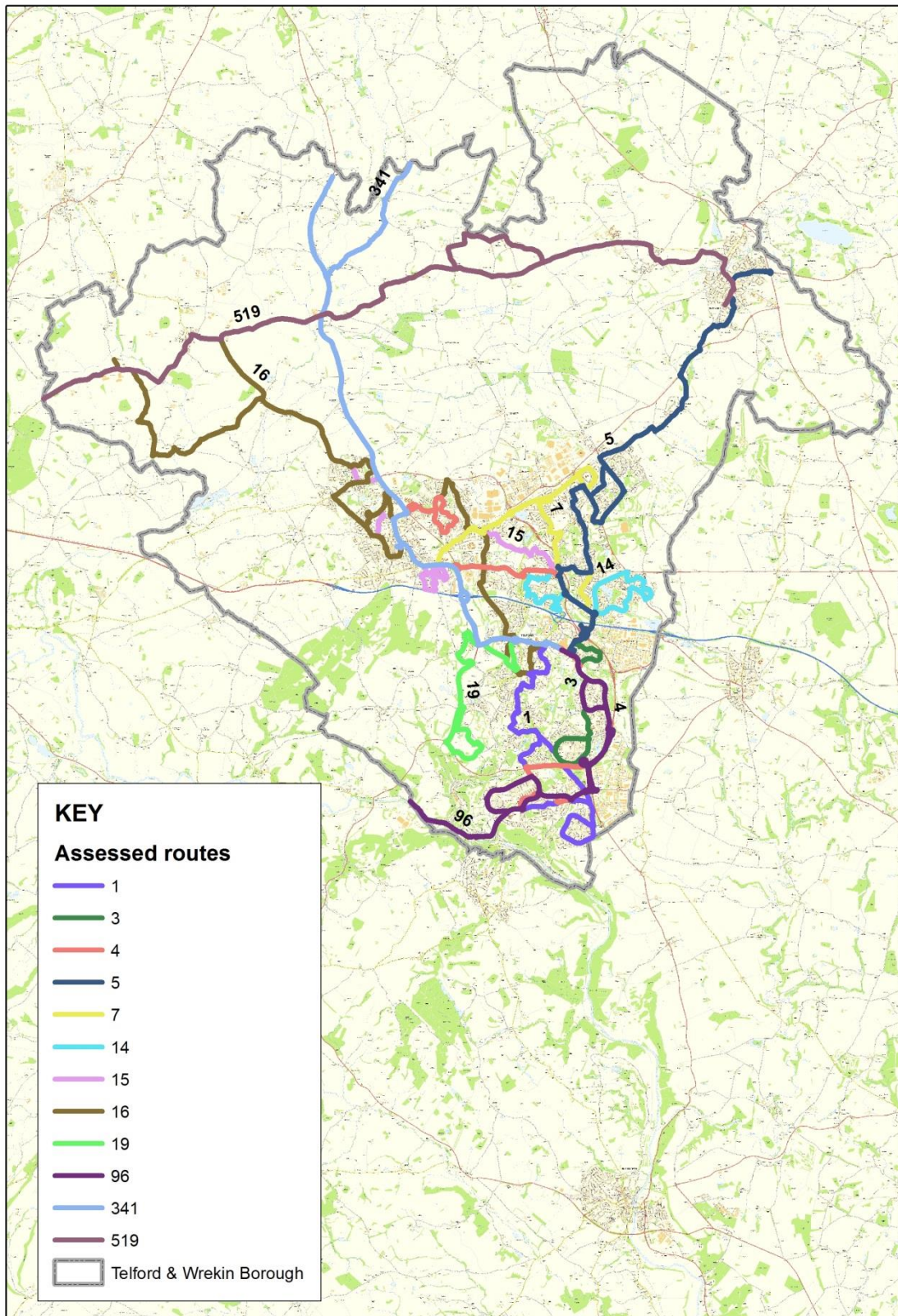
- Evening Route 1/2
- Evening Route 3
- Evening Route 4
- Evening Route 7
- Route 14
- Route 15



- Route 16
- Route 19
- Cross boundary route 519
- Cross boundary route 341/342
- Cross boundary route 96
- Cross boundary route 5

Figure 1: Assessed bus routes





How will the analysis be undertaken?

Table 1 shows the criteria chosen for the analysis. Each criteria has been assigned an individual weighting in order reflect the criteria's importance.

Table 1: Criteria and weighting proposed

Criteria	Measure	Weight
Catchment	Population number derived from population density of LSOA in the 400 m buffer from the bus route	15%
Deprivation	Bottom 20% most deprived areas and calculate population derived from population density of LSOA in the 400 m buffer from the bus route	15%
Car ownership	Bottom 20% areas with lowest car ownership levels and calculate derived from population density of LSOA in the 400 m buffer from the bus route	10%
Access to key destinations	Number of education facilities (secondary schools, colleges, university campuses)	10%
	Number of health facilities (GPs, surgeries and hospital)	10%
	Number of key employment areas and borough towns	10%
	Number of railway stations within 400 m	5%
New developments - housing	Number of dwellings in committed developments intersecting 400 m buffer	10%
New developments - employment	Area (sqm) of committed employment developments intersecting 400 m buffer	10%
Frequency per hour	Number of buses per hour	10%

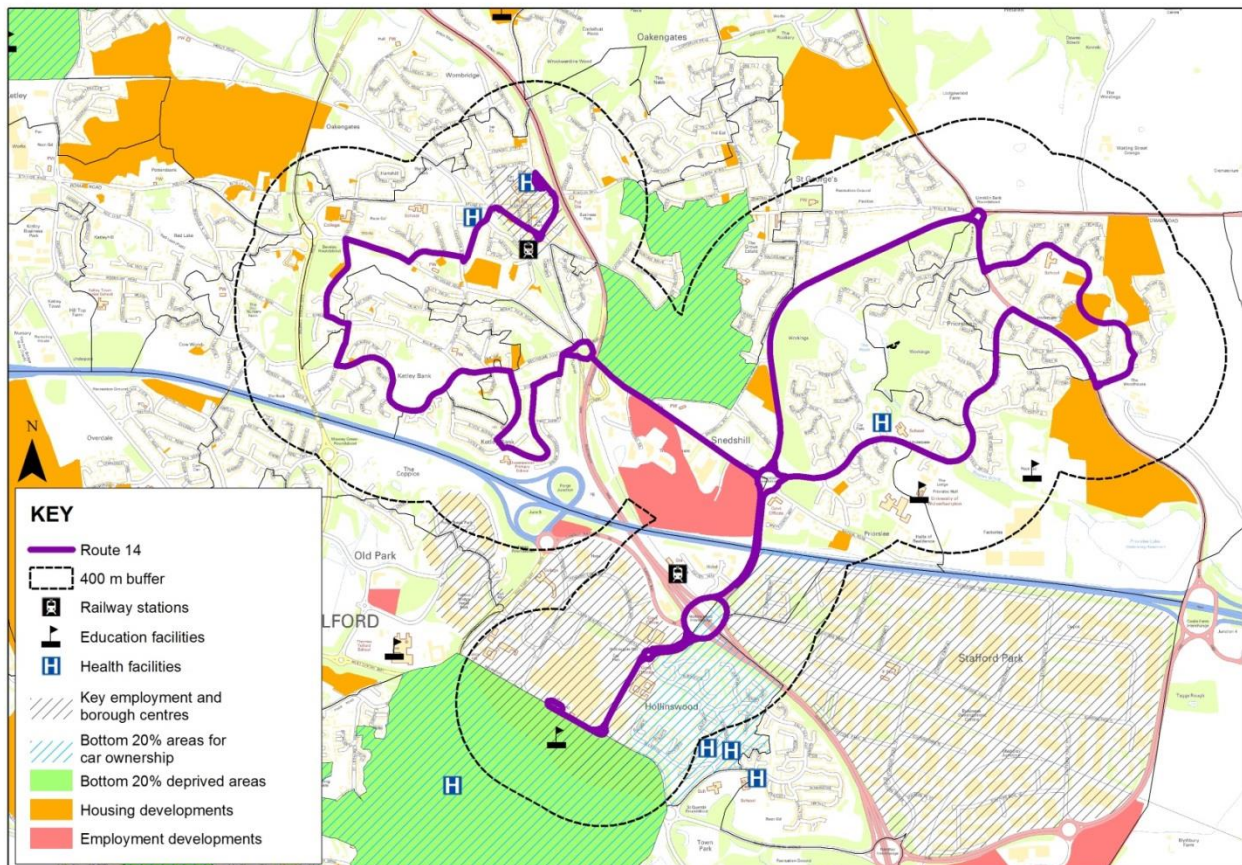
The following process will be followed in the assessment of the routes.

1. A 400m buffer will be applied to all 12 routes in ArcGIS. For each of the above criteria it will then be calculated in absolute terms as to what extent the relevant criteria is present in the buffer area.
2. All absolute values (except for frequency per hour) will be normalised by the length of the associated route in order to reflect the different length of services.
3. These normalised absolute values will then be standardised (scored) in order to highlight the performance of the indicators for each route compared with other routes. Individual criteria value for each route will be divided by the maximum or best performing value of all routes. This will provide a value between 0 and 1 for each indicator.
4. The weightings shown in Table 1 will then be applied to each criteria.
5. The weighted standardised (scored) values will then be summed up to give the final score for each route and multiplied by 100 to give a score between 0 and 100.
6. Routes will be ranked by performance from 1 to 12, 1 being the highest scoring route and 12 the lowest scoring route.

An example of the map with criteria used can be seen in Figure 2.



Figure 2: An example of analysis of route 14



Value for Money Assessment

Where the cost of running a route is known, it will be possible to undertake an assessment of the routes score against the cost of subsidising the service to determine value for money of the service. This will be done in absolute value (i.e. cost of subsidy per annum) rather than £ per kilometre of service.

Using the Scores and assessment

The outcome of the assessment will allow robust decisions to be taken in relation to which services are subsidised by the Council within the available funding. It is assumed that where the routes assessed exceed the total amount of funding available that these services will be recommended for withdrawal of subsidy. As part of this process the Council will be required to undertake a Community Impact Assessment and consider alternative options for reducing the impact to residents.

It is proposed that where a service is fully funded by S106 contributions that this service is not withdrawn until such time the S106 contributions end. At this point discussions will have to be undertaken with the local bus operator as to whether the service will be taken on commercially. Where the local operator does not consider the route to be commercially viable the service will be assessed using the above criteria and process and a decision made as to whether the Council will continue to support the service.



5. Alternative Transport Options

For those without access to public transport there are a number of options available which include:

Dial a Ride

This offers a door to door service for residents who cannot access conventional public transport due to mobility problems. People can register for this service as well as having a bus pass.

Taxi Tokens

£30 of national travel taxi tokens (at no cost to the person). This is as an alternative to the bus pass. It would usually be expected to be taken in the rural area where no buses are provided.

Community Buses

Community buses operate in areas where there are a number of people experiencing difficulty accessing conventional bus routes, all buses are fully accessible and transport passengers to a local centre. These currently operate in:

- Dawley
- Limekiln Bank
- Madeley
- Wombridge

Wrekin Connect

The Wrekin Connect bus service provides the opportunity for people living in the rural area to access transport and get to the services and facilities they need.

The currently include:

14 – High Ercall – Walcot – Wrockwardine – Wellington

16 – High Ercall – Ellerdine – Kynnersley – Wellington

17,18 - Newport Town Services

19 – Newport – Tibberton – Edgmond

69 – Horsehay – Little Wenlock – Wellington – PRH

70 – Horsehay – Little Wenlock – Telford Town Centre

Wheels 2 Work

Wheels 2 Work can offer a variety of assistance including the loan of a moped, bicycle or electric bike and travel planning advice. Help can be provided to people who have no other means of accessing work due to their home or work location or the lack of availability of appropriate public transport.

Car Share Shropshire & Telford

Carshare Shropshire and Telford is a scheme within Shropshire and Telford and Wrekin where people can sign up to a database to find others to share their journey to work with. Anybody working or living Shropshire and the Telford and Wrekin area can register for the scheme.

