

Urgent Decision Taken on Behalf of Cabinet

Report to the Leader of the Council and the Deputy Leader of the Council and Cabinet Member for Highways and Transport

Report of the Head of Service, Public and Integrated Transport

Part I

Electoral Divisions affected:
Clitheroe; Pendle Rural;
Preston South East; Ribble
Valley North East; Ribble
Valley South West; South
Ribble East;

Proposed New Tendered Bus Service 280 Preston – Clitheroe - Skipton (Appendix 'A' refers)

Contact for further information:

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Executive Summary

This report recommends that Lancashire County Council funds a partnership agreement to provide a full replacement bus service following the withdrawal by Rotala Preston Bus of local bus Service 280. This is to ensure the maintenance of a number of public transport links between Preston, Clitheroe and Skipton across a wide area of Ribble Valley and Pendle districts.

Reason for Urgency

This decision is urgent and cannot await the next meeting of Cabinet on 13 June 2019. The reason for this is to ensure no break in provision for bus service customers in this part of Lancashire. It is therefore proposed that the decision be taken on behalf of Cabinet by the Leader of the Council and the Deputy Leader of the Council and Cabinet Member for Highways and Transport in accordance with the provisions of Standing Order C28(1).

Recommendation

The Leader and Deputy Leader and Cabinet Member for Highways and Transport is recommended to:

- (i) Approve the proposed replacement tendered bus service as set out at Appendix 'A'.
- (ii) Authorise officers to draw up the detailed service schedules and complete the necessary contract procurement process to allow the replacement tendered service to commence from 17 June 2019.
- (iii) Authorise officers to undertake a sustainability review of the existing tendered bus service network to identify prospective revisions that would be affordable within the available budget.

This decision should be implemented immediately for the purposes of Standing Order C29 as any delay could adversely affect the execution of the County Council's responsibilities. The reason for this is to ensure that the replacement tendered service will commence from 17 June 2019, without a break in operational service.

Background and Advice

Prior to April 2016, the local bus service linking Preston, Clitheroe and Skipton via Mellor Brook, Whalley, Chatburn, Gisburn and Barnoldswick, was operated by Transdev on behalf of the county council as part of the tendered bus service network. The service operated every hour during Monday to Saturday daytime and every two hours on Sunday daytime.

At that time the county council significantly reduced its financial support for tendered bus services across the whole county, and Rotala Preston Bus made the decision to operate the service on a commercial basis.

Service 280 currently provides many links between Preston and Skipton across a wide area of Central Lancashire, through Preston, South Ribble, Ribble Valley and Pendle including running past the Enterprise Zone at Samlesbury. The service currently operates Monday to Saturday daytime, every hour between Preston and Clitheroe, extending every two hours through to Barnoldswick and Skipton.

The service is used by a number of students living in Lancashire accessing Clitheroe Royal Grammar School, Preston Cardinal Newman College and Skipton Craven College.

Rotala Preston Bus have determined that the service is no longer viable for them to operate on a commercial basis and from 16 June 2019 they will withdraw the entire service. Other local bus operators have been provided with passenger numbers and operational details however none have come forward to operate this service on a commercial basis.

Impact on Lancashire Residents

Whilst a number of areas will continue to be served by a regular local bus service, certain locations, such as Gisburn and residences throughout the length of the A59, will no longer have access to any bus service. There will also be a significant impact to residents who travel across the whole area with the cessation of this route.

Impacts to County Council Tendered Bus Services

There is no direct impact on current Lancashire County Council tendered bus services, although Ribble Valley Local Services 25, 66 & 67 do cross sections of the current Service 280 but operate to different destinations.

Assessment and Priority

According to ticket machine data and on-bus surveys there are approximately 170,000 annual passenger trips (559 per day) made on Service 280.

Just over a third of these annual passenger trips (60,000) are older or disabled concessionary pass-holders. The fares income, including reimbursement, generated is approximately £330,000 per annum.

Based on the evaluation of the data, whilst over a half of the passenger journeys made on the service will have direct alternative bus services, this is not to destinations served by the current 280 service. However, a high proportion of those areas left without a bus service, will have virtually no alternative public transport options available, therefore the public transport needs of these local communities would not be met.

Using the county council's policy for the consideration of tendered bus services it has been initially assessed that a public transport service can, in principle, be justified for most areas of the withdrawn service.

Current Position

Whilst there are alternative Lancashire County Council tendered bus services available in the area which could be reconfigured to provide a partial replacement for certain journeys, this would result in some other areas having their sections of route withdrawn.

Whilst a public transport service need has been determined, a full replacement service was initially estimated to cost £160,000 per annum. There is currently no capacity within existing budgets to cover this additional cost without either increasing the budget provision or undertaking a review of some of the existing tendered bus service network.

Following an indicative procurement process to ascertain the available costing options, Stagecoach in Merseyside and Lancashire have submitted the most cost effective proposal.

After examining potential revenue and the costs involved in operating the service, Stagecoach propose the following alternative which they believe would offer better value to the county council for operation of service 280.

They are proposing to operate the section of route between Preston and Clitheroe on a commercial basis, on a similar timetable as currently, and seek to operate the section between Clitheroe and Skipton on a commercial basis with initial partnership funding support from the county council.

The financial subsidy support they would initially require to operate the current timetable would be £84,483 per annum or alternatively, Stagecoach propose to additionally serve Earby for £80,681 per annum.

Stagecoach would need to commence operation of the service on the proposed start date without any gap in service of the route.

Operating the service on this basis would allow Stagecoach full freedom on fares and enable it to be integrated into their existing Preston network tickets, which is particularly relevant on the sections which overlap with existing Stagecoach services.

Whilst Stagecoach would initially operate to a similar timetable as current, Stagecoach would have freedom to alter the timetable for maximum revenue generation at a later date, although any changes would be made in consultation with the county council.

Stagecoach would welcome a periodic review of the service and its funding needs with the aim of reducing this financial support and establishing the service as wholly commercial in the future. Stagecoach would look for new revenue opportunities along the route, and is happy to share revenue and patronage data so that the county council can benefit from growth on the route in the form of a funding reduction.

However, Stagecoach are not willing to operate the Preston to Clitheroe section in isolation to the Clitheroe to Skipton section.

Proposal

In accordance with the Assessment and Priority Policy for Public Transport Services in Lancashire, the proposal is for the county council to initially provide the subsidy of £80,681 per annum for a replacement service and accelerate the sustainability review of the existing tendered bus service network.

The proposal to also incorporate Earby into the service, restoring a much requested direct bus service link to and from Skipton, represents the most cost effective option.

The cost per passenger journey of the proposed replacement for bus Service 280 would be around £0.44 and rank the service in the top 5% of the existing tendered bus service network.

The tendered bus network is currently exceeding the allocated budget by approximately £500,000 per annum. Should the subsidy funding proposal be accepted this figure, whilst maybe temporary with Stagecoach emphasising the potential growth for the service, would increase this to nearer £600,000 per annum. This service would rank a significantly higher priority than a number of other tendered bus services.

This overall sustainability review would look to ensure the tendered bus service network is accommodated within the allocated budget by identifying those routes, or sections of routes, that have been assessed to be less economically sustainable and to determine whether they offer value for money. This will be done by considering the net cost of carrying each passenger (cost per passenger journey).

The upper limit to this cost per passenger journey beyond which the county council will not normally continue to provide the service is set at £5.00. Those routes, or sections of routes, above this limit will then be subject to revision or withdrawn altogether subject to consultation.

A further report will then be presented to Cabinet detailing proposed revisions to the tendered bus service network to maintain services within the available budget.

Consultations

All divisional county councillors have been notified of Rotala Preston Bus's decision to withdraw local bus Service 280. Direct feedback has been received from Members, local MPs, other representatives and residents requesting that the county council intervenes to maintain the bus service.

Implications:

This item has the following implications, as indicated:

Procurement

A framework agreement is in place for the procurement of Local and School Bus Services in Lancashire. All contracts are procured under this Framework by mini-competitions. The service will be contained within an agreed individual contract in accordance with the terms of the Framework Agreement.

Financial

The net cost of incorporating a full replacement service within the county council's Tendered Bus Service Network will cost approximately £80,000 per annum. The estimated additional cost for the remainder of this financial year, from June 2019 until March 2020 will be approximately £60,000.

Ribble Valley Borough Council has confirmed that it will make a single contribution of £10,000. A request for the same contribution has been made to Pendle Borough Council and confirmation is awaited..

The additional funding required will be managed across the Highways and Transport budgets, with the sustainability review being completed expeditiously to ensure services are provided within the allocated budget. If the service are not able to find the funding, in addition to the projected overspend then this will need to be reviewed as part of the medium term financial strategy reported to cabinet at quarter 1, which could increase the financial gap for the county council.

Risk management

Without the proposed replacement tendered bus Service 280, a large rural population in Ribble Valley would be left without access to a public transport service.

List of Background Papers

Paper	Date	Contact/Tel
N/A		

Reason for inclusion in Part II, if appropriate

N/A