

Report to the Cabinet

Meeting to be held on Thursday, 9 May 2024

Report of the Director of Highways and Transport

Part I

Electoral Division affected:
(All Divisions);

Corporate Priorities:
Supporting economic growth;

Bus Service Improvement Plan Phase 3 Funding

Contact for further information:

Matthew Moll, Tel: (01772) 533356, Enhanced Bus Partnership Manager,
matthew.moll@lancashire.gov.uk

Brief Summary

This report seeks approval from Cabinet to proceed with the spending plan for £7.025m Bus Service Improvement Plan Phase 3 funding from the Department for Transport, as approved by the Enhanced Partnership Executive Board on 26 February 2024.

This is deemed to be a Key Decision and the requirements of Standing Order C18 have been complied with.

Recommendation

Cabinet is asked to approve the spending plan as approved by the Enhanced Partnership Executive Board, as set out in the report.

Detail

On 23 October 2023, the Government announced the indicative allocation of £150 million funding for 2024/25 for Local Transport Authorities to improve bus services, as set out in their Bus Service Improvement Plans and as part of Network North, which is referred to as Bus Service Improvement Plan 3. This is part of the third phase of Bus Service Improvement Plan funding, which follows the first phase announcement in 2022 of £1,085m for 34 authorities, and the second phase announcement in 2023 of a further £160m for Bus Service Improvement Plan Plus (now referred to as Phase 2).



Lancashire County Council was allocated £7.025m revenue funding for the 2024/25 financial year as part of Bus Service Improvement Plan 3. The Council was expected to consult with Bus Operators to draw up a list of interventions for approval by the Enhanced Partnership Executive Board. Areas of specific interest were bus service enhancements and fares initiatives.

The draft proposals were submitted to the Department for Transport on 29 February 2024 using a Project Adjustment Request form, as this is seen as an adjustment to the overall Bus Service Improvement Plan funding provided by the Department for Transport. A letter from the Department for Transport was received on 5 April confirming approval of the proposed spending plan. The letter also stated that no Bus Service Improvement Plan funding would be released unless an updated Bus Service Improvement Plan document was submitted to Government by 12 June 2024.

It was agreed by the Enhanced Partnership Executive Board to use £995,000 saved from withdrawing the current 'Buy Saturday, Get Sunday Free' fares offer, alongside £0.5m of Bus Service Improvement Plan 2 allocated to Fares Initiatives, to supplement the £7.025m Phase 3 funding allocated to Lancashire County Council. It is proposed that the £8.520m will be split as follows during the 2024/25 financial year:

- Young Person discounted fare scheme = £5.5m
- £1 Sunday Adult Single = £1.5m
- Marketing including extra members of bus station staff = £200,000
- Bus Service enhancements = £1.32m

The Young Person discounted fare scheme is still under discussion with operators; however, it has been proposed to operators that those aged 16-21 would be offered a third off the adult fare when purchasing a single, return or day ticket on the bus. Those eligible and wishing to receive the discounted fare would need to apply for an AnyBus Young Person's pass which will need to be presented when boarding the bus.

The £1 Sunday Adult Single fare will be an expansion of the current £1 Evening Fare offer to cover all day Sunday. This will replace the current 'Buy Saturday, Get Sunday Free' (also known as Weekender Ticket) fares offer which has had a low uptake in some areas of Lancashire compared to the evening offer. This is partly due to the lack of standardisation across operators in how the ticket can be purchased and used.

Extra members of staff will be employed at Lancashire County Council managed bus stations. This will allow for an increased customer service and security provision, including the opening of the information office at Preston to support customers and extending operational hours of the sites. The remaining marketing budget will help promote initiatives funded through Bus Service Improvement Plan 3 as well as other events such as Catch the Bus Week.

The table below outlines the service enhancements approved by the Enhanced Partnership Executive Board.



District(s)	Current Operator	Service	Summary of Proposals	BSIP Priority
Chorley	LUL [^]	2	Increase Mon-Sat daytime frequency to half-hourly, extra journeys via Chorley Hospital	Superbus route min 30-minutes. Enhancing access to hospitals
Preston / Chorley	LUL [^]	152	Match Monday - Thursday evening timetable to Friday - Saturday	Standardisation of Monday - Saturday timetable / frequency
Preston / S Ribble / W Lancs	SML	X2	Restore half-hourly daytime frequency Preston - Southport	Superbus route min 30-minutes
Preston / South Ribble	VIS ^{\$}	113	Introduce Monday -Saturday evening service	Enhance evening services
West Lancashire	ARV	375/385	Introduce extra early morning & late evening Ormskirk (Edge Hill) - Southport journeys	Enhancing access to hospitals
Lancaster	SCL	10 & 11	Introduce Monday -Saturday evening service	Enhance evening services
Lancaster	KLC ^{\$}	82	Introduce Monday -Saturday evening service Lancaster - Hornby	Enhance evening services
Lancaster / Wyre / Fylde	SCL [*]	42	Introduce extra morning return journey to fill in gap in service	Standardisation of Monday - Saturday timetable / frequency
<i>Preston</i>	<i>PBL</i>	<i>23</i>	<i>Enhance Saturday daytime frequency to every 10 minutes</i>	<i>Standardisation of Monday - Saturday timetable / frequency</i>
Rossendale / Burnley	ROS	481/483	Introduce extra Monday -Saturday evening journeys Rawtenstall -	Enhance evening services
Wyre	BTS [*]	12	Enhance current school service to all day, creating Bispham - Poulton link	Serving new housing developments
Lancaster	SCL	100	Enhancing Sunday Lancaster - Bare - Morecambe to 30 mins	Enhanced Sunday services Requested by LDBUG
\$ Service currently funded by Lancashire County Council				
[^] Jointly funded by Blackburn with Darwen Borough Council				
[*] Jointly funded by Blackpool Council				
<i>Italics</i> - Provisional				

The £1 Sunday fare will be introduced on Sunday 26 May and will also be available on Spring Bank Holiday, Monday 27 May. The bus service enhancements will be introduced from 26 May onwards, depending on when operators are able to deliver them (subject to receiving approval from the Department for Transport by the end of April). The Young Person discounted fare scheme will be introduced from 1 July 2024.

Consultations

All bus operators within Lancashire were given the opportunity to provide ideas for spending the funds allocated under Bus Service Improvement Plan 3. Additionally, Lancaster District Bus User Group provided a set of recommendations for improving bus services within the Lancaster area. Following a shortlisting by council officers, a proposal was put to the Enhanced Partnership Management Board (which all bus operators are invited to attend) for comments prior to the Enhanced Partnership Executive Board meeting to approve the proposals.



Implications:

This item has the following implications, as indicated:

Legal

If Lancashire County Council did not follow the recommendations within this report, then the Council would be in breach of the terms of funding with the Department for Transport following the latter's approval of the funding proposals. Re-negotiation with the Department for Transport would be required, whilst not impossible, it may result in a reduced funding offer. The Enhanced Partnership Executive Board acts as the decision-making board for the Enhanced Partnership, which is a legally binding agreement – not following the proposals would undermine the position of the Executive Board as the body for setting the agenda for the Enhanced Partnership.

The funding through Bus Service Improvement Plan Phase 3 is under the same terms as previous phases of funding. There are no subsidy control implications as all operators are invited to participate in the fare schemes. The bus service enhancements either provide a bus service where/when there currently is no opportunity to travel by bus or enhance existing daytime services which do not overlap with services provided by other bus operators.

Financial

The funding is ringfenced for the purpose of supporting and developing public transport services. If the proposals were not followed Lancashire County Council would be required to notify the Department for Transport of the position at which point the offer of funding may be withdrawn or reduced.

Risk management

There are risks for both following and not following the recommendations. If the recommendations are followed there are two key risks:

1. Fares Initiatives – both the Young Persons and £1 Sunday fares initiatives are based on cost estimates provided by the bus operators and under the assumption that the national £2 single fare cap will be extended in some form or other beyond December 2024. If either the estimated cost is too low, or the national £2 fare cap ends with no replacement in December 2024, Lancashire County Council may be required to end the fares initiatives prior to March 2025.
2. Long-term funding uncertainty – whilst further Bus Service Improvement Plan funding is expected until the 2028/29 financial year, there has been no official guarantee of funding beyond 2024/25. This means that decisions may be required for 2025/26 onwards regarding which schemes are continued or which may need to be revised.



If the recommendations are not followed there is a reputational risk for Lancashire County Council with:

1. Bus operators, which would affect the ability of the Enhanced Partnership to function.
2. Neighbouring authorities, notably Blackpool Council and Blackburn with Darwen Borough Council which have agreed to jointly fund some of the bus service enhancements; and
3. The Department for Transport, which would likely affect future funding allocations.

List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A

