

Agenda Item 6



Open Report on behalf of Andy Gutherson - Executive Director of Place

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| Report to: | Highways and Transport Scrutiny Committee |
| Date: | 13 September 2021 |
| Subject: | Passenger Transport Update |

Summary:

This report provides an annual update on Passenger Transport Matters since the previous report considered by this Committee on 14 September 2020. The Committee now receives separate progress reports for the Council's Teckal Company, Transport Connect Limited.

This report provides an update on a number of passenger transport aspects including:

- The impact of Covid 19 on the local transport market
- National Bus Strategy, Bus Service Improvement Plan and the Enhanced Partnership
- Bus Services Act 2017 including Open Data
- Public Bus Service changes
- Community Transport
- Local Government Association's (LGA) Public Transport Consortium
- Total Transport including Non-Emergency Transport Services
- Bus Stop and Shelter infrastructure matters
- Transport Services Group's performance

Actions Required:

Members of the Highways and Transport Scrutiny Committee are invited to consider and comment on any aspects of the report and to highlight any recommendations or further actions for consideration.

1. BACKGROUND

TOPIC – The state of the local transport market

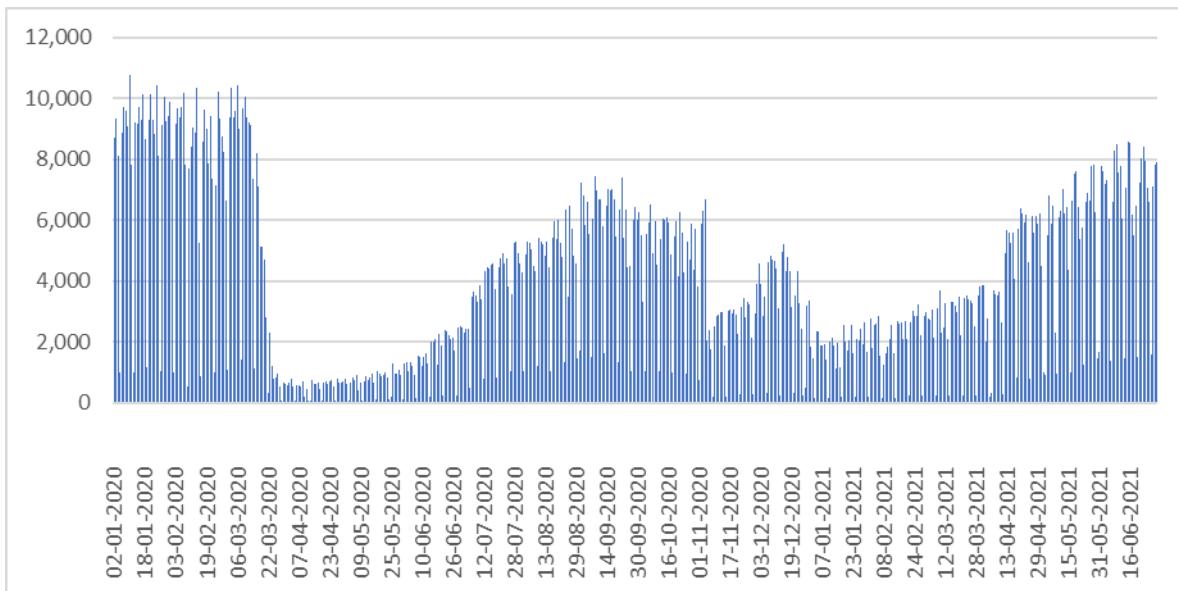
- 1.1 As previously advised to the Committee, Lincolnshire has a relatively small and extremely fragile passenger transport market. It has only one of the large national operators providing partial coverage of the county plus a number of medium and smaller independent operators located around the county. In the last 12 months there had been little change to the market. This was primarily due to the support provided by national government and the County Council to operators who would normally provide local bus services and/or home to school transport. Operators received financial support at pre-covid levels, subject to certain conditions.
- 1.2 Lincolnshire's bus operators broadly operate based on one of two models, those that provide just traditional bus operations (8 Operators) and those that deliver a mixture of transport services such as closed contracts, coaching services and/or private hire activities (16 Operators). The concern is for all bus operators but smaller family run businesses and those that are reliant on coaching/airport runs as the main part of their business are still considered to be particularly vulnerable.
- 1.3 The market is also reporting a serious shortage of PSV drivers (a similar position to that of HGV drivers). This is affecting the market's ability to deliver both Local Bus Services and Home to School Contracts and service cancellations due to shortage of a driver is rapidly increasing. This is of significant concern and the number of PSV drivers on the Council's approved list bears out the current market picture, with the loss of over 100 drivers since the start of the pandemic.

Bus travel during Covid 19

- 1.4 Figure 1 below shows English National Concessionary Travel passes used in Lincolnshire between January 2020 and June 2021. The graph mirrors the peaks and troughs of fare paying passenger journeys during the various lock down periods.
- 1.5 Operators are reporting that passenger numbers are now recovering, with adult and child fares at around 70-75% of pre-covid journeys but the take up rate for concessionary pass holders is much lower at c.45-50%. It is likely that people in the older age groups and/or those with certain disabilities are still reluctant to take unnecessary journeys on public transport.
- 1.6 For much of 2020/21, bus travel was identified as being for essential journeys only, and operators had to ensure that there was social distancing on all public bus services which meant these were not able to operate at normal capacity. Bus Operators have been in receipt of Covid-19 Bus Service Support Grant (CBSSG) funding. This funding made up the shortfall in fares revenue, but did not provide for any element of profit.
- 1.7 The Government also encouraged the separation of scholars from other members of the public, by providing funding for duplicate buses to facilitate dedicated scholars

only transport. In addition, the Council used some of its Covid funding to help operators meet the cost of enhanced cleaning regimes and additional PPE.

Fig 1 ENCTs journeys in Lincolnshire Jan 2020 to June 2021



- 1.8 In July 2021 the Department for Transport (DfT) wrote to operators and Local Transport Authorities (LTA) to give 8 weeks' notice for ending CBSSG funding but they also confirmed that there would be some 'Recovery Funding' provided between September 2021 and April 2022 albeit this will be at much lower levels than the CBSSG support provided. Detail around this funding is yet to be received.

Medium and longer-term risks for the bus market

- 1.9 Passenger numbers are slowly increasing but are not back to pre-covid levels, despite services being almost at pre-covid state for the majority of routes. This means that without further funding interventions, operators will be faced with an increasing number of routes being no longer profit making. Some operators are already reviewing and looking to reduce their current level of service to protect themselves in the medium term. The issue of driver shortages across the whole industry is also impacting on bus networks and home to school transport provision. In Lincolnshire we are seeing an increased number of school contracts being handed back and 'forced contraction' of local bus services as a direct result of operators having no driver(s) available.

- 1.10 On behalf of its coaching operators, the Confederation of Passenger Transport (CPT) has been lobbying hard for support to this sector (as they couldn't claim CBSSG for lost coach holidays/trips revenue). CPT published a Coach Strategy in March 2021. Key points included:

- Estimated 500M journeys p.a. carried out by coach (pre-pandemic).
- 6.3M people p.a. (40% of which are over 55) normally take coach trips

- 600,000 scholars p.a. taken to school by coach. This takes c40% of the fleet to deliver but only represents 16-20% of coach fleet revenue
 - Average CO₂ emissions per passenger per journey is around 1.5 times lower than rail, 5 times lower than air and 6 times lower than car
 - Coach travel is six times safer than car travel. Coach drivers undertake rigorous professional training and coaches are equipped with multiple technologies which further increase their safety
 - 80% of coach operators have seen their turnover reduce by over 50% and 20% of the market have been faced with a reduction of 90% or more since Covid.
- 1.8 Another issue facing the industry is the compliance with the Public Service Vehicle Accessibility Regulations (PSVAR) for coaches. The aim of PSVAR is to improve accessibility for disabled passengers. The last tranche of the Regulations came into effect on 1 January 2020 and related to coaches of 22 seats or more being used on local bus services and/or any school service for which passengers pay a fare or make a financial contribution towards their transport. This includes contributions paid by Post 16 scholars. The DfT gave an exemption, as a temporary arrangement to provide time for operators to either retrofit existing coaches or acquire new ones. Such exemptions expire this year.
- 1.9 The DfT are permitting, albeit reluctantly, operators to apply for a further exemption up until 31 March 2022 and then possibly a further period beyond that if they can evidence the steps, they are taking to ensure their vehicle(s) will be able to carry wheelchair passengers.
- 1.10 The pressure for coach operators is that there simply aren't enough accessible coaches available and those that are on the market come at a high cost. Furthermore, the design of an older non-compliant coach means there is limited opportunity to retrofit wheelchair lifts etc and this also reduces the seating capacity of the vehicle. As a result of operators needing to invest in newer accessible vehicles, tenders for Home to School Contracts using an accessible vehicle are currently seeing prices rise by up to 40% compared to non-accessible vehicle quotes.
- 1.11 Following the loss of CBSSG more operators may need to absorb the cost of enhanced cleaning and PPE.
- 1.12 The above points highlight that Lincolnshire operators continue to face significant challenges. This means our network and supplier market remains in a fragile state and there is a real possibility that, without further intervention, some operators may choose to exit the market. The current scenario also presents resource and financial challenges for the authority in terms of meeting its statutory duties in relation to transport (e.g., Home to School) and for maintaining an appropriate public transport network.
- 1.13 We continue to look for ways to support and encourage the local bus market, whilst remaining within budget and within regulatory and State Aid restrictions. The

County Council currently supports 142 local bus services across the network. This is an increase of two supported contracts compared to the previous report. Reduced fare income across all services is making it more likely that some commercial routes may cease to be viable, and this will increase demand for support from LCC as the local transport authority. In 2019/20 gross spend on supported local bus services was £5.573M (£3.394 net). It is not possible this year to compare spend on a like for like basis given the distortion created by covid restrictions, external funding and unique operating conditions.

- 1.14 Another report being considered at this meeting sets out the proposals for the Bus Service Improvement Plan and Enhanced Partnership arrangements to support the National Bus Strategy (NBS) the Government's strategy seeks to help with post-covid recovery and to halt the decline in bus use (outside of London) that has prevailed for many years pre-covid. Subject to the proportion of NBS funding Lincolnshire might receive in support, this strategy offers the County and its Operators a real opportunity to address some of the issues that have been highlighted above.
- 1.15 The Council continues to receive an allocation of Bus Service Operators' Grant (BSOG) for supported bus services, although this is expected to be linked by the DfT to the NBS at some point in the future. In 2020/21, the Council used its targeted £535K funding on the following:

- Fuel Duty Rebate payments to eligible services
- Financial support for some local bus services
- Purchase of several replacement CallConnect vehicles
- Software development to improve traffic light priority functionality
- Parish Shelter Grants
- New bus stop at Horncastle

All BSOG spend is subject to a DFT annual survey and LCC audit.

TOPIC – Bus Services Act 2017 and Open Data

- 1.16 This Committee has been kept updated with actions arising out of the Bus Services Act since it was enacted in April 2017. The Committee is reminded that the Act covers four key strands:
 - Franchising
 - Strengthening the powers of Quality Bus Partnerships between operators and the Council.
 - Modernising previous ticketing legislation
 - Introduction of open data and on-board audio and visual information.

- 1.17 Franchising and Enhanced Quality Bus Partnerships now form part of the requirements under the NBS, so these are not considered for discussion within this paper. Instead, this section sets out the progress around bus open data since September 2020.

- 1.18 In October 2019, the DfT published its Bus Open Data: Implementation Guide. The Bus Open Data Regulations came into effect on 7 January 2020. The purpose of Open Data is for bus operators to make details of their services widely available. Bus operators are now required to provide open, accurate and up to date data on timetables, fares and vehicle locations in real time.
- 1.19 Bus operators are required to publish their data (initially just route and timetable) through a portal. The portal, known as the Bus Open Data Digital Service (BODDS) went live in 2020. The Council is providing a bureau service for smaller operators and those without the ability to post their own BODDS data. This arrangement is likely to be continued for the foreseeable future. The group also continues to provide Traveline with timetable data, this arrangement will need to continue until such time as the data can be drawn directly from the portal.
- 1.20 The next phase is to provide standard fare and real time information, and this comes into effect on 7 January 2021, although it is expected that there may be a transition period offered. The final phase is to produce complex fare information by 7 January 2023.
- 1.21 There has been no update issued on the requirements for on-bus audio and visual features as set out in the Act since the previous report.
- 1.22 The Electronic Ticket Machines (ETM) Lease Scheme has now been live for one year. Most operators in Lincolnshire who hadn't introduced electronic ticket machines have signed up to this five-year leasing scheme. Whilst the primary benefit was to provide more robust data and auditing capacity in relation to English National Concessionary Travel Scheme (ENCTS) passes there have been other benefits. In addition to data analyse for ENCTS pass usage, ETMs can also provide the vehicle location details required for tracking buses on a real time basis (this will be required for BODDS data). A number of operators have also upgraded their machines to enable contactless payments.

TOPIC – Public Bus Changes

- 1.23 Government statistics show that in 2018/19 Lincolnshire bus operators provided 12.9 million passenger journeys compared to 13.5M in the previous year. The national picture saw a drop from 4,344M passengers to 4,318M over the same period. Despite the reduction, it is worth noting that public bus services still account for 58% of all public transport journeys (incl. Bus, Rail, Underground and Light Rail/Tram).
- 1.24 Since lifting of the last lockdown, the majority of bus services have been reintroduced to near pre-Covid levels. Exceptions include the Lincoln-Gainsborough corridor and town services in Gainsborough and Stamford which continue to operate at reduced levels at the present time.

- 1.25 CallConnect services have been adjusted in Lincoln and Grantham to help people access the Vaccination Centres in these locations. CallConnect was also used to provide a link between Skellingthorpe and Saxilby following closure of a local surgery, but this has since been removed due to lack of use. All CallConnect buses have been fitted with CCTV and safety cameras. A trial is currently underway for app-based booking in the Gainsborough CallConnect area and a trial with an alternative product will be introduced from September 2021 in the South of the county. The benefit of an app is increased functionality for the user. For those who don't use smart phones we still offer telephone access for journey bookings.
- 1.26 It was proposed to augment the Horncastle to Lincoln via Bardney (service 10) route when it was re-tendered in late 2020. However commercial service changes impacted on this proposal, restricting the opportunity to increase service levels on this route at the current time
- 1.27 The County Council can now access Section 106 funding towards a bus and associated revenue costs to serve Holland Park in Spalding. The total amount is £250,000 to be paid over two triggers. Trigger one has been met. We have not been successful yet in incorporating this into the existing Spalding IntoTown service but continue to seek a solution to be able to provide bus services to this site. We have also received a request to look into a link between the Holbeach Food Enterprise Zone, Holbeach and the Spalding-Kings Lynn route. This is being considered as part of the National Bus Strategy initiatives.
- 1.28 A relatively new operator to the Lincolnshire market has introduced a commercial Monday to Saturday service operating between Radcliffe on Trent and Grantham. The service includes Barrowby Gate, Bottesford and Bingham.
- 1.29 Online details of all bus service changes continue to be circulated to all Councillors on a monthly basis. Members are advised to contact the relevant officer listed for more detailed descriptions and background if required

TOPIC – Community Transport

- 1.30 The Council continues to support Lincolnshire voluntary car schemes. There are currently 16 car schemes and one Community run Dial A Ride service which operates around the Lincoln area. During the period of this report the Stamford Community Car Scheme has unfortunately ended. The Nettleham/Cherry Willingham Medical Practice and Navenby Car Schemes are hoping to resume operations soon. Some schemes were facing issues over car park charges at hospital sites, this matter has now been satisfactorily resolved.

TOPIC – Local Government Association (LGA) Public Transport Consortium

- 1.31 Councillors Brewis, Adams and Davies represent the Council on this LGA special interest group including representation on the Executive. The Head of Transport Services provides support and also attends plenary meetings.

1.32 During 2020/21 the group considered a range of topics and issues relating to bus and rail either through newsletters or virtual meetings. The most relevant ones to Lincolnshire are:

- Consideration of a report by the County All Parliamentary Group and County Councils "Reversing the Decline of County Buses". The report was submitted to the DfT for consideration as part of the National Bus Strategy.
- Updates on managing bus services during the pandemic.
- Regular updates on the DfT Decarbonisation Plan.
- Workshops on Rural Taxis and Alternatives to diesel for public transport.
- Future of Transport Rural Strategy – Call for Evidence.
- Challenging the criteria used by the DfT for the Rural Mobility Fund (RMF). Lincolnshire was not one of the authorities successful in obtaining RMF funding.

1.33 LCC representatives on the Group will continue to attend and contribute to LGA lobbying and discussion on public transport where it is in our interest to do so.

1.34 During the year the Head of Transport Services has also presented at an LGA national webinar and attended frequent meetings with the DfT on behalf of ATCO, ADEPT and the East Midlands region raising awareness of issues and championing passenger transport in Lincolnshire and rural areas more widely.

TOPIC – Total Transport

1.35 TSG advocates a Total Transport ethos and considers that such an approach offers opportunity for improved travel opportunities within Lincolnshire. The principles of Total Transport are:

- An integrated transport unit combining transport expertise in one team
- Integrated provision of transport through a variety of ways from planning, procuring, scheduling and delivering
- Joint contracting and delivery of activity

1.36 The NHS Non-Emergency Passenger Transport services (NEPTS) contract is due for renewal this year. Opportunity to be involved in NEPTS provision, particularly in relation to eligibility assessment and service scheduling was considered however timeframes and a 24-hour operating model did not quite fit within the roadmap for DRT development at this point in time. We are however continuing to investigate opportunities for working collaboratively with health on passenger transport matters going forward.

1.37 TSG are working with Children's services on a review of the One School, One Provider Contracts (OSOP) and have recently revised the payment mechanism to ensure it reflects changes in Special Educational Needs provision and is better able to adapt during times of disruption such as that seen during the Covid pandemic.

TOPIC – Bus Shelter and Bus Stop Infrastructure

- 1.38 In Lincolnshire, all bus stops are the responsibility of the County Council. The County Council owns and/or manages a number of bus shelters, primarily located on Interconnect routes. Other shelters are the responsibility of the District Town/Parish Councils.
- 1.39 The facility to report bus shelter and bus stop faults went live on Fix My Street on 17 November 2020. Upon receipt of a notification TSG identify and liaise with the relevant owner. We are working on a master database that identifies all shelter infrastructure in Lincolnshire including the owner although there are a small number of shelters where ownership still cannot be traced.
- 1.40 The Council has purchased 36 bus shelters in Grantham and Stamford from JC Decaux. South Kesteven purchased the shelters in the respective bus stations. There is a proposal currently being worked up for Clear Channel to take on the advertising responsibility on these shelters. This will generate a revenue stream for the Council which will amply cover the annual maintenance cost of the shelters. £50,000 has also been secured from unallocated S106 funding to refurbish and put in new stop infrastructure within Gainsborough.
- 1.41 The current work programme of refurbishing or replacing existing shelters that are the responsibility of the County Council is as follows:
- Chapel St Leonards, Bus Station – replace existing shelter with an anti-vandal proof design.
 - Southview Skegness and Rand – new wooden shelters to be installed later in 2021.
 - Spilsby Interchange – working with East Lindsey District Council and the Town Council to implement short term measures to mitigate anti-social behaviour issues with a longer-term plan to re-design the current shelter.
 - Refurbishment of the following wooden shelters: North Greetwell (refurbished in 2020/21 Lexan Panels to be fitted shortly); Sudbrooke (two shelters on the A158); Canwick Road, Lincoln; Caythorpe, Dunston; Caistor; Stow and two shelters in Swallow.
- 1.42 The County Council also administers grants to Town and Parish Councils for new or to repair existing bus shelters. The maximum amount is £3,000. In 2020/21 we provided grants to the following parishes:
- Sutton Bridge
 - Thimbleby
 - Kirton
 - Branston and Mere
 - Sturton by Stow
 - Marton

1.43 TSG has also received a number of requests for new bus stops, moving the location of stops or removal of existing stops. The local County Councillor is kept informed of requests. If any householder wants to move an existing stop, then we would expect them to bear such costs.

TOPIC – Transport Services Group's Performance

1.44 Attached as Appendix A to the report is a summary of performance within the Transport Services Group. The section is divided into the four teams within the group, namely:

- Public Transport and Matrix
- Projects Team
- Client Services
- Fleet and Compliance

This updates the summary provided to this Committee previously.

2. Conclusion

Members of the Highways and Transport Scrutiny Committee are invited to consider and comment on any aspects of the report and to highlight any recommendations or further actions for consideration.

3. Appendices

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| These are listed below and attached at the back of the report. | |
| Appendix A | Transport Services Group: Performance Report 2020/21 |

4. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

| Document title | Where the document can be viewed. |
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| National Bus Strategy Bus Back Better. | Bus back better - GOV.UK (www.gov.uk) |

This report was written by Anita Ruffle, Head of Transport Services, who can be contacted on 01522 553147 or anita.ruffle@lincolnshire.gov.uk.