



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

Report to:	Highways and Transport Scrutiny Committee
Date:	18 July 2022
Subject:	Passenger Transport Update Report

Summary:

This report provides an annual update on Passenger Transport Matters relating to public transport, since the previous report considered by this Committee on 13 September 2021. The Committee will receive separate reports on Transport Connect Limited (TCL) and on all aspects of passenger transport including educational travel.

This report provides an update on the current challenges and then summarises deliverables and activity since the previous report within passenger transport.

This is the first of a series of reports on public transport. The Committee receive further reports on Transport Connect Limited (TCL), Education Travel, Quarterly performance reports for transport and more detail on specific transport activity such as CallConnect.

Actions Required:

Members of the Highways and Transport Scrutiny Committee are invited to:

- (1) Consider and comment on the contents of this report;
- (2) Recognise the key challenges facing local bus travel in Lincolnshire and highlight any suggestions for further actions.

1. Background

1.1 Current challenges

Previous reports to this Committee had identified that Lincolnshire for a number of years has had a limited and challenging local bus market with declining passenger numbers. This mirrored the picture nationally. The impact of COVID, however, saw a more dramatic impact with a sudden decrease in passengers travelling via bus due to government messaging that travel by public transport should only take place if it was essential and no alternative travel options were available.

- 1.2 National and local government financial support has been in place since March 2020, helping to stabilise the bus network in Lincolnshire. However, financial recovery support (Bus Recovery Grant) to operators is due to end on 4 October 2022. There is currently no indication from the Department for Transport (DfT) that any support will be extended between October and March 2023.
- 1.3 Bus operators are private companies who make decisions to run bus services on a commercial basis. The County Council, as local transport authority, has a statutory responsibility to consider where there are any gaps in service provision and what to do about that. When calculating whether a service is viable, bus operators will consider all operating costs are considered along with all revenue streams which include fare paying passengers, scholars, and reimbursement by the County Council for those with English National Concessionary Travel Scheme (ENCTS) passes. In 2021/22, the County Council spent £4.2 million on subsidising bus services (144 contractual arrangements) and reimbursed £6.1 million to bus operators for ENCTS passholders.
- 1.4 Whilst operators have reported that passenger numbers are recovering, they are not at the levels prior to March 2020. Commercial fare payers are currently at 70% of pre-COVID levels but vary by operator and service. Scholar trips are broadly in line with pre-covid levels, while ENCTS patronage is struggling to recover and is, on average, 65% compared to pre-COVID levels. What remains unclear is whether ENCTS patronage will return or whether there is permanent scarring from COVID as pass holders have found alternative travel arrangements for the journeys they make.
- 1.5 Other issues impacting on reliability and punctuality of the current network include difficulties in recruiting qualified Public Service Vehicle (PSV) drivers. This has been exacerbated recently with a national shortage across the logistics network and increased competition in the recruitment and employment market, though some operators are taking action to mitigate that risk through a focus on driver recruitment and training. Some journeys and routes were cancelled within earlier in 2022.
- 1.6 Meanwhile, operating costs continue to increase due to rising fuel prices and increased staffing costs. Bus services are still in a period of recovery not enhancement and there are risks to the current level of bus operation in Lincolnshire once Bus Recovery Grant ends - passenger numbers have not returned, constraining operator revenues at a time of much increased operating costs.
- 1.7 Lincolnshire County Council, as the Local Transport Authority, monitors the situation closely. Following the challenges facing Lincolnshire's bus network, the County Council is increasingly having to make more decisions whether to enact the statutory power and provide a subsidy. Our methodology is not based on a pass or fail but considers several factors to make an informed judgement. These include:
 - Is there an alternative?

- Can CallConnect meet the demand?
- Is it a high priority service – for Lincolnshire that would be the network of inter-urban services that are called Interconnect or is it a town service?
- Is it a medium priority service – examples include infrequent weekly service.
- Consider scholar movements, travel to education, training and employment.
- What proportion of ENCTS passholders use the service?
- What can be done to increase demand or reduce costs?
- Finally, cost effectiveness of the service against available budget.

1.8 The table below summarises the key challenges, the reasons why and what actions we can take or consider mitigating the impact of the challenges to maintain the current network. There is a real risk that the network could begin to change, if not this year from 2022/23.

Challenges	Why?	What are we doing?
<p>Bus Recovery Grant ends on 4th October, and without financial assistance, commercial services may become unviable</p> <p>Bus Recovery Grant distributed by the County Council ends on 4 October – this currently supports the tendered bus route network.</p> <p>Bus operators withdraw from the market following</p>	<ul style="list-style-type: none"> • Passenger numbers have not returned to pre-covid levels • Driver shortage in areas causes cancellations resulting in lack of confidence in the reliability of the network • Operating costs increase e.g., fuel, driver wages etc 	<ul style="list-style-type: none"> • Network review with operators to identify commercial routes that are viable, marginal or not viable • Consider whether it is appropriate to support the network • Campaign with bus operators to encourage ENCTS passholders to return to bus travel • Well established demand responsive transport service CallConnect.

Challenges	Why?	What are we doing?
Passenger numbers do not return to pre-COVID levels	<ul style="list-style-type: none"> • Alternative travel arrangements have been made. • Passengers do not have faith in the reliability of the network because of factors such as driver shortages • Passengers not accessing up to date bus information. • Perception of bus journeys being the last resort of travel. 	<ul style="list-style-type: none"> • Campaign with bus operators as part of the Enhanced Partnership (EP) to encourage ENCTS passholders to return to the network. • Some operators have reviewed their fares and amended fares structures – reducing the maximum price a customer may pay. • LCC use the existing bus network for scholar travel, as much as possible. • Ensuring roadside information is up to date and promotion of Lincsbus.info (website) as one place for all bus information • Measures to improve punctuality within existing budgets e.g., traffic light priority measures or review of the current routes • Linking to the green agenda and informing about the increased costs of running a car.

1.9 The County Council is considering all these measures above. This includes working with operators through the EP.

1.10 **National Bus Strategy, Bus Service Improvement Plan and the Enhanced Partnership**

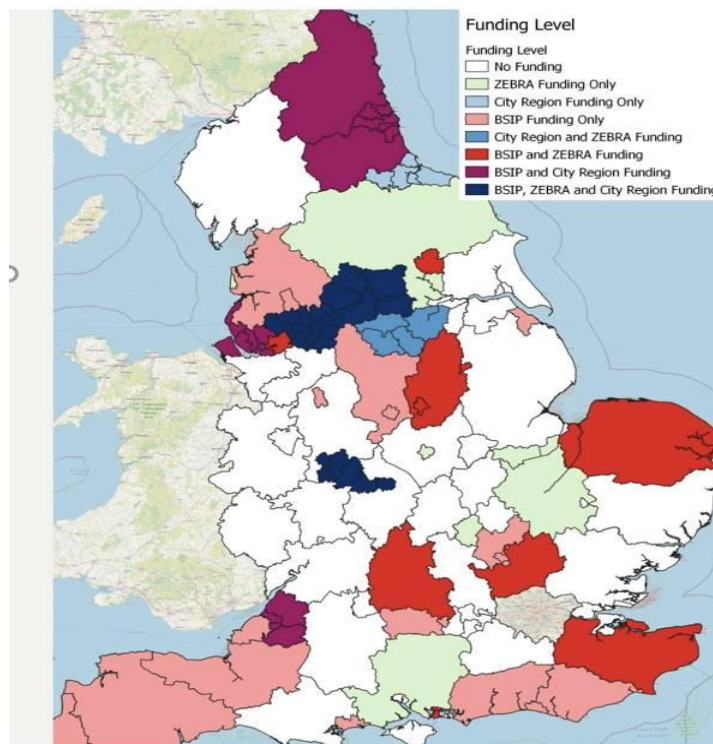
This Committee received a separate report at the meeting on 13 September setting out the County Council's response to the Government's Bus Back Better: National Bus Strategy for England which was published in March 2021. This strategy set out the Government's ambition for the delivery of local bus services in England. The Bus Service Improvement Plan (BSIP) that was considered by this Committee on 13 September 2021, was submitted to the Department for Transport (DfT) at the end of October 2021. The BSIP is a high-level document which sets out the Council's and ambitions for local bus services in Lincolnshire. This, in effect, was the bidding document to access funding allocated by the Government. The BSIP is referenced in the recently adopted fifth Local Transport Plan.

1.11 To be eligible for BSIP funding, all Local Transport Authorities were also required to commit to a statutory Enhanced Partnership with bus operators in addition to the submission of the BSIP. The County Council published its Notice of Intent to develop an Enhanced Partnership (EP) Scheme and Plan and began work on the constitution of the partnership alongside a draft EP Plan and Scheme within the required timescale. Implementing an EP is statutory process, thus there will be a formal legal

arrangement between the County Council and the local bus operators that will impose requirements as set out in the EP Scheme.

1.12 The original timeline, as set out in the Guidance on Enhanced Partnerships, was to have a Scheme in place by 1 April 2022. The DfT wrote to Local Transport Authorities on 11 January 2022, suggesting that we pause the current Enhanced Partnership, until the DfT had announced funding in relation to BSIPs. The DfT indicated that funding announcements would be made by the end of February 2022.

1.13 The DfT announced the results of BSIP funding on 4 April 2022. Lincolnshire County Council, along with two thirds of other Local Transport Authorities, were not awarded any BSIP funding. The map below sets out the position of authorities that were successful. ZEBRA funding relates to zero emission buses.



1.14 Following the announcement in April, the County Council and operators are still committed to an Enhanced Partnership. Bus operators will be given an opportunity to object to the proposed EP Plan and Scheme through a statutory 28-day objection window, while a statutory consultation exercise will also be undertaken. The proposed measures included within the EP Schemes can be achieved through existing funding sources. Contents of the draft Scheme are as follows:

LCC Obligations	Operator Obligations
Audit of bus stop/shelter infrastructure in Lincolnshire.	Bus passenger charter
Maintain existing stops and bus lanes	Vehicle standards – Euro 3 minimum
Consider feasibility of new bus stops/lanes	Lincolnshire Rover Ticket – first steps towards a multi-operator ticket
Bus priority at one or more junctions	Promote PlusBus

LCC Obligations	Operator Obligations
Managing roadworks – engaging with operators	Provide Real time data when necessary
Continue with Lincsbuss.info and roadside information	
Fix My Street for bus stop/shelter issues continues.	
Campaign with bus operators targeting ENCTS passholders	
Promote PlusBus	

1.15 **Transforming Public Transport**

Reviewing the approach to public transport in Lincolnshire, is underway, alongside the three- year transformation programme for Educational Travel

1.16 The service review will consider:

- Conducting a network review identifying risks and opportunities going forward and the County Council’s appetite for intervention within existing budgets;
- Reviewing the framework and process for subsidised bus services and de minimis (direct award without tendering) contracts;
- Reviewing the relationship between fixed route services and CallConnect our demand responsive transport service;
- Using new software called Re-Mix for route planning;
- Producing quarterly transport performance reports to this Committee; and
- Review and improvements to communications and publicity

1.17 All local bus information can be accessed on the Lincs Bus website www.lincsbuss.info/lincs-bus. This includes any updates of changes to current services (www.lincsbuss.info/lincs-bus-updates). County Councillor(s) and affected Town and Parish Councils are notified of any changes in their areas.

1.18 **Voluntary Car Schemes**

The Council continues to support voluntary car schemes in Lincolnshire. There are currently 15 car schemes and Lincoln Dial a Ride. Prior to Covid 19 there were 17 schemes. Stamford and Horncastle VCS schemes have stopped. Three schemes are linked to GP practices, five are linked to Parish Councils and seven are charitable based. Schemes offer journeys for health appointments as well as some social journeys. The County Council has an annual budget of £45,000 which funds support costs such as public liability insurance, telephony costs, publicity, grants and funding a Flexiroute system. Lincoln Dial a Ride currently receives an annual grant of £35,000. TSG also undertakes the vetting process for drivers. The user pays 45p per mile to use the scheme.

1.19 The total number of drivers registered prior to Covid 19 was 399 and it is currently 299 a loss of 25%. Monthly journeys during 2018/19 were 3,313 and have reduced to 2,175. Demand is now increasing and a number of schemes are reporting that they are struggling to meet journey demand especially because of the reduction in available drivers.

1.20 **Local Government Association (LGA) Special Interest Group Public Transport Consortium**

Councillors R Davies, C Perraton-Williams and previously Cllr Adams represent the Council on this LGA special interest group including representation on the Executive. The Assistant Director (Communities) provides support and attends the meetings. At the recent Annual Council, Cllr Ashton has now been appointed as the third Councillor.

The Consortium aims to:

- function as a forum for discussion and promotion of public transport issues affecting local authorities outside metropolitan areas;
- promote the exchange of experience and good practice between member authorities and in liaising with other bodies;
- advise appropriate committees or other executive bodies of the LGA on public transport issues;
- represent interests of member authorities to Government, the LGA, operators and other organisations involved in public transport; and
- Provide advice and guidance to member authorities concerning passenger transport policy and operation.

1.21 During 2021/22 the group considered a number of different topics and issues relating all modes of public transport either through newsletters, lobbying or virtual meetings. The most relevant ones to Lincolnshire in relation to the bus industry are:

- Enhanced Partnerships including attendance by the DfT and Transport Focus
- Support to the bus industry

1.22 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. Cllr Ashton attended the study tour and the next plenary in London on 30 June and 1 July 2022. This time, the study tour was a visit to Waterloo Bus Depot which in 2016, Go Ahead converted the depot from diesel to full electric bus, the first of its kind in the country.

1.23 The House of Lords Built Environment Committee is undertaking an Inquiry on the future of bus travel focusing on trends in towns and cities. Call for Evidence stage ended at the end of March 2022. Further updates on progress will be reported, when available.

1.24 **Total Transport**

We continue to work towards the Total Transport principles and believe that it is a solution for improved, sustainable travel in 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

1.25 We continue to explore opportunities for working collaboratively with other public sector organisations such as health on passenger transport matters. We are continuing dialogue with Lincolnshire Clinical Commissioning Group (CCG).

1.26 There is an opportunity to engage with Schools and Colleges to work to the principle of utilising registered local bus services for non-eligible scholars travelling to a school of choice. Currently, these establishments contract operators to deliver closed contracts.

1.27 Bus Shelter and Bus Stop Infrastructure

In Lincolnshire, all bus stops are the responsibility of the County Council. The County Council manages a number of bus shelters usually on Interconnect routes which are the main services between the market towns and City. Others are the responsibility of the District/City/Borough or Town/Parish Councils. The public continue to be able to report any bus shelter/stop faults through Fix My Street. We refer any issues on shelters that are not our responsibility to the relevant District or Town/Parish Council.

1.28 During 2021/22 we undertook refurbishment of 12 bus shelters on Interconnect routes which are the responsibility of the County Council. A new shelter was installed at Horncastle and two replacement shelters at Rand and Southview, Skegness. 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 2021/22 we provided grants to two parishes.

2. Conclusion

Members of the Highways and Transport Scrutiny Committee are asked to recognise the forthcoming challenges to maintain the current local bus network, once Bus Recovery Grants end on 4 October 2022. The focus is still on recovery with a longer-term view on whether the current level of service can be enhanced in the future.

3. Consultation

a) Risks and Impact Analysis

N/A

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	DfT letter 4 April 2022

5. 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
National Bus Strategy Bus Back Better	Bus back better – GOV.UK (www.gov.uk)

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