

## Local Bus Service Priority Policy 2015 to 2020

### 1.0 Principles

The role of the County Council as set out through the 1985, 2000 and 2008 Transport Acts is, in essence, to look at where market failure occurs in the local road passenger transport network (that is where the needs of local residents are not met by the commercial market), to determine whether in these instances a service is needed and if, in the council's opinion, it is then to provide one.

Given limited funding the Council therefore needs a way to decide how to balance the differing potential transport needs of residents when allocating funding (**The Assessment Process**). It also needs to be able to manage the network in the light of changes to the commercial bus network, public demand and changing corporate priorities over time.

This process needs to be objective and should be so constructed to as to contribute directly to the County Council's key outcomes. The key corporate outcomes are set out below:

They are:

- Children in Essex get the best start in life.
- People in Essex enjoy good health and wellbeing.
- People have aspirations and achieve their ambitions through education, training and lifelong-learning.
- People in Essex live in safe communities and are protected from harm.
- Sustainable economic growth for Essex communities and businesses.
- People in Essex experience a high quality and sustainable environment.
- People in Essex can live independently and exercise control over their lives.

Transport outcomes that directly contribute to these corporate outcomes are set out below:

1. Providing access to schools, colleges, and training, work, health and leisure services.
2. Providing access to health services, shopping, leisure activities, employment, reducing isolation and increasing independence.
3. Providing access to learning and training opportunities, supplier workforce training and apprenticeships.
4. Providing access to care services and providing safe transport for access to health, education, work and leisure services, reducing the number of people killed or seriously injured (KSIs).
5. Attracting inward investment by offering improved connectivity, access to work and leisure opportunities and reducing congestion.

6. Reducing congestion, air quality and CO<sub>2</sub> emissions.
7. Enabling access to key services, improving community involvement.

## 2.0 The Local Bus Service Assessment and Priority System

The Local Bus Service Assessment and Priority System has two Functions. First, given that it is not possible to fund every conceivable public transport need for service users in Essex it will allow the Council to prioritise where its limited financial resources should be allocated as part of the area review process. Second, once the revised supported bus network is put in place, it allows the Council to respond to changes to the commercial bus network over which it has no control and assess the need for additional contracted services that result from them (or indeed to cease providing a contracted service where a comparable commercial service is started).

To this end the System comprises two processes, the **Service Need Assessment Process** and the **Service Provision Priority Process**.

### 2.1 The Service Need Assessment System

The Service Need Assessment System (SNAS) is aimed at determining whether there is a need for a service as a result of commercial transport operators' failure to provide one. This comprises the following 'gateway' assessments that will help the County Council determine whether it needs to consider buying a supported service in each circumstance. To proceed an assessment will need to pass all the gateways in order to progress:

### 2.3 Assessment Stage 1: *Is there market failure?*

The council will consider the following factors when determining whether a market failure has occurred.

- Are there reasonable alternative services on offer that will already allow residents to make the same Journey?
- Are there broadly comparable journeys or suitable alternative destinations accessible without the need for an intervention by ECC?
- Will any ECC service provision risk undermining the economic viability of a commercial service?

If there are reasonable alternative or broadly comparable services available or of the provision of a contracted service would undermine the economic viability of a commercial bus service then normally assessment will end here and no contracted service will be provided.

If there are none, then the assessment proceeds to **Assessment Stage 2**.

Definitions of what would be considered to be reasonable and broadly comparable in terms of services are set out in **Appendix 1**.

## **2.4 Assessment Stage 2: *Does the available transport for the area affected meet the Service Intervention Point (SIP) benchmark?***

This stage considers whether in the absence of the service or services in question, the areas affected still have a level of service at or above that at which the County Council feels it is necessary to consider whether it is necessary to provide additional transport services.

To this end the County Council has developing a series of tables setting out **Service Intervention Points (SIPs)** that indicate the level of bus service available to residents in an area beneath which it will consider the need to provide additional transport services.

- The levels for urban and key interurban corridors are based on frequency along main transport corridors.
- Those for peri-urban, suburban and rural areas will be based on population, with higher populations assumed to require better access to key services.

The **SIPs** are intended based on the minimum service levels set out the Essex Road Passenger Transport Strategy, adjusted to allow for changes to the commercial network since these were introduced, the need to reflect the Essex Outcomes and issues raised through the consultation and area review process.

The proposed SIP tables are shown in **Appendix 2** below.

If the SIP level of service is met by existing services, then assessment will normally stop here and no contracted service will be provided.

If the SIP level is **not** met then assessment proceeds to **Stage 3**

## **2.5 Assessment Stage 3: *What is the impact on current transport users?***

This stage assesses the impact of a loss of service or decision to provide a service on current or potential future bus service users.

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This will be considered looking at:

- Are there any people using the service toward whom the County Council has a statutory duty to provide transport?
- Are there key services or destinations that residents will not be able to access if a service is not provided and are there no other destinations at which similar services can be obtained that can still be accessed by public transport?
- Are the residents of the area likely to be particularly reliant on public transport services?

For the purposes of this stage of the assessment:

People toward whom the County has a statutory duty to provide transport will include:

- Students of statutory school age who qualify for free home to school transport under the regulations applying at the time of assessment.
- Any other specific group toward which there is a statutory duty to provide transport at the time of assessment, or for whom the County has an agreed local policy of providing free transport at the time of assessment.

‘Key Destinations not able to be accessed’ will include:

- Town centres giving access to shopping
- Health centres such as Hospitals or Doctors surgeries
- Secondary Schools, Further or Higher Education centres
- Major Employment centres outside town centres (above 500 persons employed)

Groups for whom there may be a ‘particular reliance on public’ transport will include (but will not necessarily be limited to):

- Residents of protected or sheltered accommodation or residential care homes, either for older people or people with disabilities.
- Areas that show high level of social deprivation and/or low car ownership

If any of the above applies, then the assessment will proceed to Assessment Stage 4. If not, then assessment will not normally continue and no contracted service will be provided.

## **2.6 Assessment Stage 4: *Does the service offer value for money?***

A service will then be assessed to determine whether it offers value for money for the taxpayer. This will be done by considering the nett cost to the taxpayer of carrying each passenger after all income for the service (from on-bus fares, concessionary travel and any season tickets or other pass arrangements) has been taken into account over a given period (usually one year) will be calculated and this will be divided by the number of passenger journeys (individual movements) of all types carried on the service over the same period. This is the Cost Per Passenger Journey (CPPJ)

The County Council has set an upper limit to the cost per passenger journeys beyond which it will not normally continue to provide the service. This upper cost will initially be set at **£5.00** but may be reviewed periodically in light of changing circumstances.

- If the CPPJ is equal to or lower than the maximum figure provision of a service will be considered.
- If it is higher than the maximum CPPJ figure, then provision of a contracted service will not normally be considered.

## **2.7 Assessment Stage 5 - *Conclusion***

Once the assessment stage has been completed a decision will be made about whether a service is in principle required based on the process set out above.

If the decision is that a service is, in principle, needed, then the process will proceed to the priority determination stage.

### 3.0 Priority Determination Stage

#### 3.1 Background

As Essex is a very large and diverse County with many differing transport needs and given the County Council's budget for supporting bus services is limited, it cannot meet every potential need for transport that might occur. It is therefore necessary to prioritise its support for services. The **Priority Determination Stage** of this strategy is therefore designed to focus the County Council's expenditure on transport services where it will most effectively meet residents needs and also serve the County Council's key outcomes, as set out in **1.0 Principles** above, while managing the budget and dealing with the impact of a sometimes unpredictable commercial market.

To facilitate this, the County Council has identified the following **Service Categories**:

**Table 1: Categories of Service provided by Essex County Council**

| <b>Service Category</b>                                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Monday to Saturday frequent (more than 5 return journeys per week or demand responsive) services linking rural areas to key service centres. (Shopping, Health, Employment, Education).</b> |
| <b>Monday to Saturday peak period only services, offering access to Employment, Training, Education or Commuter Services</b>                                                                   |
| <b>Monday to Saturday urban services connecting to key service centres/ transport interchanges off peak.</b>                                                                                   |
| <b>Infrequent rural 'lifeline' services (less than 5 return journeys per week) linking rural areas to key service centres (shopping, Health, Employment, Education).</b>                       |
| <b>Evening Services (after 19:00)</b>                                                                                                                                                          |
| <b>Sunday services</b>                                                                                                                                                                         |
| <b>Access to tourist/leisure destinations and other services and night buses.</b>                                                                                                              |

### 3.2 Allocation of Priorities to Existing Services.

As part of the Service Review, each current ECC contract was analysed through the priority. The services provided by Essex County Council were allocated to each Service Category, based on their primary use. The Evening and Sunday categories were applied to all services operating on those days, regardless of their location or other potential categorisation.

Having established the Service Categories, their impact on key outcomes and were mapped to each them. The preferences expressed by 5,000 Essex residents across three consultation processes carried out in 2013/14, 2014/15 and 2015/16 were then analysed and mapped into each of the above Service Categories. Their combined priority scores were used to establish a priority for each Service Category. The process involved is shown in **Appendix 3: Service Priority Schedules**.

In determining the priority to be given to a particular service, a number of factors have been taken into account. These include:

- The number of people responding to each consultation – higher weighting was given to consultation outcomes with larger number of respondents.
- The fact that the majority of the respondents were older people. This will have influenced which services were given the highest priority through the consultations. Two factor help mitigate any potential bias from this effect. First the use of the an Essex Outcomes priority factor helps to compensate for the as the outcome priorities favour services that support economic growth and lifelong learning, which, by their nature are more likely to be used by working age and younger people. Second most services funded by Essex County Council run in the daytime off peak, in rural areas, in the evening or on Sundays. The majority of users on these services will be older people, so the age bias to some extent reflects actual service use.

In addition the outcome of the final consultation on the proposed new policy which took place between September 17<sup>th</sup> 2015 and October 22<sup>nd</sup> 2017 have been taken into account when determining the final priority categories

The priority given to each category was as follows:

**Table 2: Priority Allocated to Service Categories by Essex key Outcomes and Public Consultations.**

| <b>Service Category</b>                                                                                                                                                                        | <b>Priority Allocated</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| <b>Monday to Saturday frequent (more than 5 return journeys per week or demand responsive) services linking rural areas to key service centres. (Shopping, Health, Employment, Education).</b> | <b>1</b>                  |
| <b>Monday to Saturday peak period only services, offering access to Employment, Training, Education or Commuter Services</b>                                                                   | <b>2</b>                  |
| <b>Monday to Saturday urban services connecting to key service centres/ transport interchanges off peak.</b>                                                                                   | <b>3</b>                  |
| <b>Infrequent rural 'lifeline' services (less than 5 return journeys per week) linking rural areas to key service centres (shopping, Health, Employment, Education).</b>                       | <b>4</b>                  |
| <b>Evening Services (after 19:00)</b>                                                                                                                                                          | <b>5</b>                  |
| <b>Sunday services</b>                                                                                                                                                                         | <b>6</b>                  |
| <b>Access to tourist/leisure destinations and other services and night buses.</b>                                                                                                              | <b>7</b>                  |

Within each Service category, priority of service provision is be determined by the services' Cost Per Passenger Journey (See **Assessment Stage 4**) above. The lower the CPPJ, the higher the priority given to the service.

The CPPJ therefore acts as a value for money check by both giving an absolute cap to the level of expenditure on any service at £5.00 per passenger carried and by determining the priority a service receives within its category).

A list of ECC supported services broken down into Service Category priority and by CPPJ priorities within service categories is produced in **Appendix 4 Service Category Priority List**

### **3.3 Allocation of Priorities for Future Services**

Once the revised network is in place the County Council will still have to assess request for new services and the need for new services following changes to the commercial network. The initial Service Assessment will establish whether there is a need for a service and if there is, the proposed new service will then be allocated to a service category based on its principal purpose and within that category a priority based on its cost per passenger journey.

If insufficient funding is available in the local bus budget to provide a new service even if it has a high priority, then the County Council will look at the following options:

- Not to provide the service at this time, but place it upon a reserve list, with priority for provision, should additional funding be made available at a future date
- Allocate additional funding to provide the service identified from within other Essex County Council resources.
- Provide the service and fund it by withdrawing services with the overall lowest priority (lowest priority category and highest cost per a passenger journey within that category) sufficient to provide the necessary funding

This decision will be made by the Cabinet Member for Highways and Transportation, advised by the Director for Commissioning Transport and Infrastructure, or any successor role to these roles as may result from changes to the Council's structure over time or such officers of the County Council as may be duly delegated authority to do so.

### **3.4 Further Changes to Council Funding Priorities**

Over time it is possible that circumstances will change and that level of financial support for local bus services may vary. In this case the council may decide that it is no longer able to part or all of the services categories that this policy sets out for support or conversely that it may extend support for services. In these circumstances, support for services will be altered in line with the priority allocated to them under this system, although each service affected will be considered in its own right and in the case of service reductions, impact and equality assessments will be undertaken before any changes are made and service users will be consulted. In making any such changes, the County Council will aim as far as possible to ameliorate the impact of any service loss through the use of community transport services.

### **3.5 Special Circumstances.**

Regardless of the outcome of the above priority system, the Cabinet Member for Transport, Planning and the Environment (or any duly appointed responsible successor cabinet post, or duly delegated officer) will have the authority to determine whether a service should be provided, where in their assessment special or exceptional circumstances warrant such intervention.