

CABINET MEMBER FOR ENVIRONMENT – 12 MARCH 2020

SUPPORTED BUS SERVICES FUND

Report by Director for Planning & Place

RECOMMENDATION

1. **The Cabinet Member for Environment is RECOMMENDED to approve the Statement of Intent for the spending of Oxfordshire's allocation of the Supported Bus Services fund, for submission to the Department for Transport on 13 March 2020.**

Executive Summary

2. In February 2020 the Government announced a number of new funds for the provision of bus services, including a new Supported Bus Services Fund for use in the 2020/21 financial year. Oxfordshire County Council has been allocated £588,403 of that fund for use on the supported bus network in 2020/21.

Introduction

3. In February 2020, the Government announced a number of new funds for the provision of bus services, including a new Supported Bus Services Fund (SBSF) for use in the 2020/21 financial year.
4. Subject to submission of a satisfactory Statement of Intent (Sol), Oxfordshire County Council has been allocated £588,403 of that fund.
5. Consultation has been undertaken with Parish Transport Representatives, Bus Users Oxford and Oxfordshire MPs.
6. The Cabinet Member for Environment is asked to approve the Sol at Annex 1, taking account of any further significant information or responses from consultation received subsequent to the preparation of this report.
7. The County Council has not held a budget for supported bus services since the withdrawal of funds from 118 bus routes in July 2016. Of these routes, 48 remain in existence through commercial operation, community transport provision or Section 106 from planning obligations.

Background

8. The SBSF is available in 2020/21 for local authorities as revenue support to help provide more bus services in their area. The Government expects the

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funding to be used to improve the provision of local bus services in one or more of the following ways:

- restore lost services where most needed;
 - improve current services; and/or
 - support new services or extensions
9. In the absence of an existing bus services budget in Oxfordshire, there has been a high level of interest in these funds amongst parish transport representatives, the general public and local transport operators.
 10. Whilst welcome, it should be noted that the SBSF represents a small proportion of the Council's previous budget for bus services.
 11. As is set out in the guidance accompanying the funding announcement, Government intends that the funds are wholly spent in 2020/21, although there is recognition that authorities may need to spend a proportion of it in the subsequent year.
 12. Also set out in the guidance is that Government reserves the right to withhold funds, both in 2020/21 and in future financial years, from local authorities where it does not feel the funds are proposed for use on appropriate projects.

Consultation

13. It is a requirement of the SBSF that local authorities consult their local MPs and also demonstrate proportionate engagement with the public.
14. Officers are awaiting feedback from consultation with Oxfordshire MPs and, where received, will report this verbally at the Cabinet Member for Environment Delegated Decisions meeting.
15. Consultation with the public has been undertaken through the county's network of Parish Transport Representatives on 25 February 2020. The group was briefed on the SBSF, its eligibility criteria and the timeframes involved, and invited to give their views on how the fund should be used.
16. Officers have also sought the views of the Oxfordshire bus users' group.
17. Due to the interest surrounding the funds and their potential use, the Council has undertaken an initial assessment and evaluated various options to meet the criteria.
18. Officers have sought engagement with other local authorities to identify their proposed uses of the fund. Discussions with Hampshire, Wiltshire, Buckinghamshire and East Sussex have identified that their priorities are likely to be the improvement of current services and 'pump-priming' specific enhancements where more strategic gaps in the network exist. We also have intelligence from Derbyshire and Central Bedfordshire that this approach is preferred.

19. The Council is required to publish how they intend to use the funding (excluding any commercially sensitive information) within one month of it being provided in April 2020. The Council must also publish, at the end of each financial year in which the money was spent, what proportion of the funds were utilised and what for.

Statement of Intent (Sol)

20. The Council is required to submit a Sol showing how the SBSF will be used and demonstrating that it will meet the needs of local people and stakeholders.
21. The Sol will allow the Government to ensure that the objectives of the funding are achieved, assess the impact of the funding and use the findings to inform the development of the National Bus Strategy for England and associated long-term funding settlement.
22. Officers have prepared the Sol at Annex 1, taking account of consultation undertaken at the time of writing this report and the likely costs of providing the services.
23. As set out in Annex 1, the council intends to use the fund in the following way:
- £125,000 to improve supported bus services, which is expected to provide 77,935 additional bus miles.
 - £253,400 to restore lost bus routes, which is expected to provide 87,000 additional bus miles.
 - £210,000 to support extensions to existing bus services, which is expected to provide 89,600 additional bus miles.
24. As stated above, consultation is also being undertaken with Oxfordshire MPs and this will be reported verbally at the Cabinet Member for Environment Delegated Decisions meeting.

Next Steps

25. The timetable for immediate next steps is as follows:

Submission of Statement of Intent to the Department for Transport	13 March 2020
Response expected from Department of Transport	By 30 March 2020
Funding provided to local authorities who meet the funding requirements	From 1 April 2020

Financial and Staff Implications

26. The total sum of £588,403 will be provided by the Department for Transport by 1 April 2020, provided that a satisfactory Sol is received by 13 March 2020. There are no implications for the Council's budget.
27. It is expected that all the money to be spent. Costs of services are based on officers best estimates and are subject to change as a result of procurement of the services. If appropriate, a contract may be let whereby part of the contract cost is met by SBSF and the remainder by Section 106 funds in order to exhaust the full allocated sum.
28. Should further funding not be forthcoming, and where commercial viability is not secured, services would be withdrawn after contract expiry (1 year from introduction).
29. Failure to spend the funds on appropriate projects may lead to a reduced future funding allocation for supported bus services.

Sustainability Implications

30. It is hoped that the spending of the SBSF on supported bus services will help to encourage more travel by bus, thereby reducing traffic and congestion. Fewer vehicles on the road would reduce traffic emissions, contributing to better air quality and reducing the impact on climate change.

Equalities Implications

31. The fund will be used to improve access to services for rural communities. It is not considered that any protected groups would be disadvantaged by the proposals.

Risk Management

32. The principal risks associated with these funds are:
 - delayed service introduction may lead to a reduced 2020/21 funding allocation;
 - improper use of the funds, or delayed introduction, could lead to a reduced future funding allocation under the National Bus Strategy, limiting the Council's ability to improve rural connectivity in the medium to long term;
 - bus operators may see the funds as an opportunity to withdraw commercially weak services;
 - there may be negative commentary regarding the choices that are made for service improvement;
 - expectations may be raised around the continued running of services over and above the one-year time period for which the funding is intended; and

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- long term funds may not materialise, leading to service withdrawal after one year's operation and/or pressure to maintain routes using other sources of funds.

33. It is considered that these risks can be minimised by:

- moving swiftly to procure services using the funds;
- ensuring that all funds are utilised on services which meet the eligibility criteria, and that such funds are spent in the earliest possible timeframe;
- working with operators to boost use of commercially weak services;
- prioritising the use of the funding allocation in as consistent a manner as possible;
- providing clear communications around the timescales associated with the funding and that services may cease after one year; and
- ensuring that communities benefiting from the funds are aware of the current short-term funding position.

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Background papers: Department for Transport, Funding for Supported Bus Services in 2020-21

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