

Division(s):

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**CABINET – 10 NOVEMBER 2015**

**PROPOSALS ON THE FUTURE OF SUBSIDISED BUS SERVICES  
AND DIAL A RIDE**

**Report by Director of Environment and Economy**

**Introduction**

1. On 26<sup>th</sup> May 2015, the Cabinet approved the launch of a full public consultation on proposed changes to subsidised bus services and Dial a Ride.
2. The consultation ran between 19<sup>th</sup> June and 15<sup>th</sup> September. In total, 2656 responses to the consultation questionnaire were received, as well as numerous emails and letters, 13 detailed submissions and 7 petitions. 275 people attended public and specific stakeholder meetings regarding the proposals we put forward.
3. The level of interest in the consultation demonstrates how highly the public values these supported transport services, with many regarding them as a vital part of their local community infrastructure, and finding it difficult to prioritise between different types of services. While people were understandably concerned about reducing these services, there was also an appreciation of the exceptionally hard financial situation the Council finds itself in, and the difficult decisions this requires us to make.
4. This report summarises the views expressed through the consultation with regard to our proposals for the future of subsidised bus services and Dial a Ride. The Cabinet is invited to consider this feedback before it makes its final decision on how to proceed. In addition, a number of important issues raised through the consultation are detailed below, along with our proposed mitigations.

**Background**

**Supported transport savings**

5. On-going cuts in central government funding mean Oxfordshire County Council has to make approximately £290 million of savings between 2010 and 2018.

On top of those savings, we believe we may need to save a further £50 million. These calculations are based on the Government's broad savings targets across the public sector for the new parliament. We will learn more throughout Autumn and Winter in an incremental way about how the Government will make its savings, how these will impact local government in

general and then how changes will impact on Oxfordshire County Council specifically.

6. As part of our efforts to achieve these significant savings, in February 2015 the Council reduced the overall supported transport budget by a fifth (£6.3 million), and this was incorporated into the Medium Term Financial Plan (MTFP).
7. We have already identified that we can achieve nearly £3.7m of these savings by running services in a more efficient and integrated way. However, this still leaves a further £2.6 million to save in order to achieve our Medium Term Financial Plan, and possibly more depending on the extent of any future budget reductions from Central Government. We've therefore had to look at the supported transport services which we are not required to provide by law – subsidised bus services and Dial a Ride.

### **Consultation proposals**

8. We consulted with the public on two sets of proposals:

#### **a) Subsidised bus services**

- **Option 1:** Withdraw all bus subsidies
- **Option 2:** Reduce funding to subsidised bus services by £2.3m, and adopt the principle of prioritising, where possible, services most likely to be used by the elderly and disabled (i.e. off-peak services).

We stated in the consultation document that the £2.3m savings figure in 'Option 2' may be reduced, depending on the final amount of savings that accrue from the annual review of bus subsidies undertaken in Vale of White Horse and South Oxfordshire earlier in 2015. Although savings have been made from this review, these have been offset by additional pressures, such as the increased cost of procuring Home to School Transport. Consequently the £2.3m savings figure cannot be reduced.

- #### **b) Dial-a-Ride** - encourage community transport groups across the county to deliver a replacement service, and end direct funding of the service by the Council.

9. The public was asked to comment on these proposals as part of a full 12-week consultation. The original consultation document and questionnaire are included in Annex D.

## The consultation process

10. The consultation on our proposed changes to subsidised bus services and Dial a Ride ran from 19<sup>th</sup> June to 15<sup>th</sup> September.
11. We commissioned Oxfordshire Rural Community Council (ORCC) – an independent, not-for-profit organisation committed to representing the needs of rural communities – to act as an independent facilitator and advisor during the consultation. ORCC were also tasked with reviewing and analysing all responses which were received; summarising the breakdown of responses to each of the consultation questions, as well as drawing out common themes and issues which emerged across submissions. This work is captured in a final report produced by ORCC, available in Annex C, which in turn forms the basis of this report to the Cabinet, and our recommendations on how to proceed.
12. The consultation was launched on the County Council and ORCC websites, via social media channels and through direct contact with key stakeholders, such as county and district councillors, town and parish councils, parish transport representatives, bus operators, campaign groups and voluntary and community bodies. Parish transport representatives and parish clerks were also sent a poster highlighting the consultation and encouraging feedback, with a request to place the poster on local parish and community noticeboards. The consultation was also promoted via the NHS South, Central and West Clinical Commissioning Group (CCG). Information about this consultation was sent to the 1113 CCG stakeholders, their patient participation groups, and the 6 CCG locality Groups. We also sent information out to a number of Oxfordshire's largest employers, Further Education bodies and both its universities. Letters were sent out to all Dial-a-Ride users, where a change to their service and service provider was likely to be affected, to inform them of the consultation and how to have their say. In July posters advertising the consultation were also put up in buses travelling along potentially affected routes to ensure bus users were aware of the consultation. In addition, posters highlighting the public events were placed in all 50 County Council libraries across the County, and following the events new posters encouraging consultation feedback were placed in all the 50 Libraries.
13. The key documents produced by the Council to form the basis of the consultation were the main consultation document and an online questionnaire, which was also distributed widely in hardcopy form. In addition to these main documents, several annexes were made available:
  - **Service and Community Impact Assessment (SCIA)** – an initial draft assessment of the impact of our proposals
  - **Frequently Asked Questions** – answers to some commonly asked questions about our proposals
  - **The Council's legal duty** – an explanation of the Council's legal duties regarding subsidised bus services
  - **Local Transport Solutions** – details of how the public can submit ideas on how to improve travel in Oxfordshire

- **Full Methodology** – a detailed explanation of the methodology used to prioritise services under option 2
- **Option 1 Services Affected** – a table of all subsidised bus services which would stop receiving a subsidy under this option
- **Option 2 Services Affected** – a table of all subsidised bus services in order of their priority, using the Council's preferred approach of making savings by prioritising off-peak services
- **Option 2 Full Ranking Tables** – full ranking tables for Option 2, including the two alternative time bands considered as part of the analysis.

All of these were made available via the Council's website, and hardcopies were also provided in all of the County's 50 libraries. Further copies were sent to libraries on request due to high demand from responders.

In August, we updated our analysis in order to include the latest changes to bus timetables, and to reflect a recent routine review of bus subsidies. Along with some additional information requested by the public, this updated analysis was posted on the Council's website in the following revised annexes:

- **Option 1 Services Affected (with Subsidy Value and Usage)** – a table of all subsidised bus services which would stop receiving a subsidy under this option, but also including a column for Service Subsidy Cost, and a column with Patronage data (passenger numbers) where it was available<sup>1</sup>, sorted by locality
  - **Option 2 Services Affected (by locality)** – table of all subsidised bus services in order of their priority, using the Council's preferred approach of making savings by prioritising off-peak services, but arranged into one table per locality
14. Both the Council and ORCC provided other feedback channels in order to enable as many people as possible to have their say. This included providing a special Freepost address and an OCC and ORCC email address, with queries continually being responded to by both organisations. ORCC provided phone support to people who asked for help with the consultation, and in total, received and responded to over 200 phone calls. This included posting out hardcopy feedback forms and other supporting documents when requested, and answering questions about particular concerns or queries regarding the consultation.
  15. In addition to online and phone support, ORCC ran and facilitated five public meetings around the county with the Cabinet Member for Environment and senior Council representatives early on in the consultation period (6 – 8th July). These took place at Banbury Town Hall, Didcot Civic Hall, Witney Methodist Church, Abingdon Guildhall and OCC County Hall in Oxford, and provided local communities with an opportunity to hear more about the proposals, ask questions and voice their concerns.

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<sup>1</sup> Passenger numbers were provided where available from the bus operators. Unfortunately this is not always complete and collection methods depend entirely on the operator and technologies used.

16. Two specific stakeholder meetings were held for the voluntary sector and bus operators respectively. Senior representatives from the council also attended a variety of meetings with key stakeholders.
17. ORCC also attended several individual meetings<sup>2</sup> with parishes/towns and community groups on request. These included:
  - The Bartons
  - Oxford 50+ Network
  - Henley area
  - Chipping Norton
  - Thame (information only)
  - Stanton St John (and neighbouring parishes)
  - Milton Under Wychwood
  - Grove

## **Consultation Feedback**

18. The response to the consultation has been high. The large number of survey responses, letters and emails, along with detailed submissions, suggest that the public take transport and access to it very seriously. Across submissions, there was a deep level of concern for local bus services, with many regarding them as a vital part of their community's infrastructure.
19. In total, 2656 responses to the consultation questionnaire (2209 online and 447 hardcopies) were received. In addition, a further 236 emails and letters were received from members of the public, with 7 petitions submitted against the potential removal of a specific route. 13 detailed submissions were received from local councils, individual councillors, user groups and other representatives. 275 people attended the 5 public meetings and 2 specific stakeholder meetings. Following the close of the consultation, 1 additional petition was submitted to cabinet on 20<sup>th</sup> October against the potential removal of a specific route.
20. As part of ORCC's role as an independent facilitator and advisor during the consultation, they were tasked with reviewing and analysing all the consultation responses which were received and detailing their findings in a report to the Council. The ORCC consultation report details the breakdown of responses to each of the consultation questions, summarises the main reasons people gave for their answers, and draws out common themes and issues which emerged across submissions. ORCC's consultation report can be found in Annex C.
21. Drawing on ORCC's report, this section summarises the public's feedback to each of the proposals we put forward and any key issues that were raised.

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<sup>2</sup> It is ORCC's and OCC's understanding that these meetings were subsequently used to inform submitted consultation responses.

## **Proposal 1**

### **Option 1: withdraw all bus subsidies**

22. There was very little support for withdrawing all bus subsidies, with only 2% (34 out of 2055) agreeing with this option in the feedback surveys. No responses received via emails, letters, public meetings or detailed submissions agreed with option 1, and were, on the whole, strongly opposed to it. Given that 73% of survey respondents used subsidised bus services, it's not surprising that there was little appetite to pursue this option.

### **Option 2: reduce subsidised bus services by £2.3million, and prioritise off-peak services where possible**

23. There was substantial support for reducing funding for subsidised bus services by £2.3million, with 41% of respondents preferring this option. This is even more significant considering that 73% of respondents were subsidised bus users themselves. We think this demonstrates that the public appreciates the exceptionally hard financial situation the Council finds itself in, and the difficult decisions that this requires us to make.
24. In addition, there was a strong show of support (47%) for our preferred method of targeting remaining funding towards off-peak services, which tend to be used by older people and people with disabilities. Only one quarter of respondents disagreed with this approach, with 20% describing themselves as neutral.
25. Nonetheless, many people (including neutrals and those in favour of protecting off-peak) raised concerns about reducing peak services, and the impact this would have on young people and commuters in the County, who tend to travel on these services. Many people felt that these services were just as important as off-peak, and also highlighted the potential negative impact on the economy of losing peak services. In light of this, some respondents suggested that we should assess each subsidised service on a case-by-case basis, and consider additional factors such as demand.

### **Neither option 1 nor 2**

The majority of survey responses (53%) – as well as 73% of emails and letters – preferred neither of the two options we put forward to make savings on subsidised bus services. Many of these people cited a range of impacts on local people as their reason for preferring neither option; such as inconvenience, difficulty getting to school, work or appointments, loss of a life-line service and isolation of older people. Many people felt that the Council should look elsewhere for savings, rather than to subsidised bus services.

**The Cabinet is RECOMMENDED to consider this feedback before making its final decision on how to proceed regarding proposal 1.**

## Other general issues

26. In addition to the above, the public raised some general points in relation to our proposal. These are detailed in the table below, along with our responses and, where relevant, recommendations.

Issue	Our response
<p><b>Lack of alternative transport</b> A large amount of respondents (41%) said that they would find it difficult to find alternative transport if subsidised bus services were reduced. This figures correlates with the percentage of respondents (also 41%) who stated they do not own or have access to a car.</p>	<p><b>The Cabinet is <u>RECOMMENDED</u> to allocate (from the efficiency reserve) £500k of one-off, pump-prime funding for groups to bid for in order to set-up community transport initiatives which meet an identified transport need in their area.</b></p> <p>We also propose to refine our methodology so that deprived and rural areas (where car ownership and access to alternative transport is likely to be low) are also prioritised— see below for our full recommendation.</p>
<p><b>Social impacts not properly understood</b> There was some criticism of the methodology we used to rank bus services under option 2. On the whole, people were concerned that we hadn't fully understood the social impacts for people left without a service and asked us to look at a range of additional variables. These were rural isolation, deprivation, lack of access to alternative transport, car ownership, disability, older people, younger people, and tourism.</p>	<p><b>The Cabinet is <u>RECOMMENDED</u> to update the methodology used for ranking bus services under option 2, so that priority is given to rurally isolated and deprived areas</b> (which taken together will identify areas where car ownership and access to alternative transport is likely to be low).</p> <p>These variables would be included in addition to whatever decision the Cabinet takes concerning whether to prioritise peak or off-peak services. The results of adding these variables to the methodology when either peak or off-peak services are prioritised can be seen in the different results tables provided in Annex B. In summary, prioritisation of rural services results in several rural services increasing in priority (reducing risk) and several primarily-urban services decreasing in priority (increasing risk). The analysis of deprived addresses results in a few services being pulled to the top of the list of priority.</p> <p>We do not propose to include the other suggested variables, as on the whole, it</p>

	<p>was found that the majority of these produced results that were closely aligned with those of rural isolation and deprivation, making their inclusion unnecessary.</p> <p>Details of all changes which have been made to the methodology and why are set out in the Updated Methodology paper which can be found in Annex A.</p>
<p><b>Students on subsidised buses</b> As part of the consultation, we proposed to protect subsidised bus routes which are used to take entitled students from home to school, where on the whole it is cheaper for us to do so instead of paying for separate dedicated school transport.</p>	<p><b>The Cabinet is <u>RECOMMENDED</u> to protect such services (even if it decides to withdraw all funding under option 1).</b></p>
<p><b>Cumulative impact on network</b></p> <p>Both communities and operators have highlighted the fact that removing one subsidised bus route could have a negative knock-on effect on other connected nearby routes (either subsidised or commercial) by reducing the number of bus passengers, and therefore making them less viable to run.</p> <p>It was also highlighted that some distinct service numbers used the same bus and driver, forming a single timetable but had been 'scored' as distinct entities.</p>	<p>We recognise this to be an area of concern for bus users, and will ensure that we properly assess the potential consequences of removing subsidised routes on the wider network, if Cabinet asks us to proceed with reducing subsidies. This will involve us having more detailed discussions with bus operators before any changes are implemented.</p> <p>Whilst we recognise that there may be practical benefits to combining routes where they use the same bus and/or driver, this does not necessarily reflect transport need. Rather, it relates to an operational issue around the management of the bus network and configuration of timetables. This can be discussed with operators to attempt to minimise any negative knock-on impacts as much as possible.</p>
<p><b>Ensure all transport providers are treated equally</b> Our original methodology did not apply the same criteria to all transport providers. Community Transport providers were exempted and therefore protected. This meant our methodology was inconsistently applied, and we do not think that this is a</p>	<p><b>The Cabinet is <u>RECOMMENDED</u> to update the methodology used for ranking bus services under option 2, in order to ensure that all providers are treated in the same way, whether they are external providers, OCC fleet or community transport providers.</b></p>



<p>fair approach to have.</p>	<p>As already stated, we are recommending that the Cabinet allocate (from the efficiency reserve) £500k of one-off, pump-prime funding for groups to bid for in order to set-up community transport initiatives which meet an identified transport need in their area.</p>
<p><b>Specific routes</b> Many of the comments left were requests to retain specific bus services.</p>	<p>If the Cabinet decides to retain some funding, we will use these comments from the public on specific routes to inform our negotiations and the re-tendering process with bus operators.</p>
<p><b>Impact on the environment</b> Some people raised concerns about the impact that reducing subsidised bus services might have on the environment, by potentially increasing car usage and thus CO2 emissions.</p>	<p>The environmental impact of the proposed changes is extremely difficult to estimate due to the number of assumptions we need to make about how people will collectively react if bus services are reduced. These include things like people's decision to travel or not, how far they will travel, what mode they would use, whether they would share the mode with others, whether bus services will be taken on commercially if a subsidy is withdrawn, and so on.</p> <p>Taking all these assumptions and uncertainties into account, we estimate that there would be between a 0.01% reduction and 1% increase in total Oxfordshire CO2 emissions (based on Oxfordshire's 2013 emissions of 5.35 million tonnes of CO2).</p> <p>If the Cabinet decides to reduce or withdraw funding for bus services, we will aim to keep the effect at the lower end of this range by encouraging as many community transport alternative schemes as possible.</p>
<p><b>Future housing growth</b> Some detailed submission highlighted the need to take into account planned future housing developments and the increased demand this would bring for public transport.</p>	<p>Services which have been identified as necessary for supporting future demand resulting from new developments are funded using S106 funding. This is funding paid by developers and therefore, as already stated, is exempt from our savings proposals (because the funding is not the Council's to save). This ensures that subsidised bus services necessary to meeting future demand from housing</p>

	developments are protected. However, the Council will continue to review services to ensure that any which are vital to supporting future growth are also prioritised.
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27. The Service and Community Impact Assessment (SCIA) has been updated further to the consultation feedback and is presented in Annex F.

**Proposal 2 – withdraw direct funding for the Dial a Ride service**

**Feedback**

28. While feedback on this proposal should be taken into account, it is also important to note that 97% of respondents did not use the Dial a Ride service and were unsure what it offered.
29. Views as to whether direct funding should be withdrawn were split across submissions; 15% agreed, 14% disagreed, 29% were neutral, and 42% stated that they did not know.
30. The majority of respondents stated that they would not be able to travel if the Dial a Ride service was withdrawn, and nearly all indicated that they would find it very difficult to find an alternative means of transport.
31. Many respondents wanted an option to be able to pay more towards the Dial a Ride service. It's possible that, if Cabinet choose to withdraw direct support, any similar services offered by community-led schemes will charge users for transport.
32. Respondents were concerned that there aren't enough volunteers available to run community transport replacement services, and that these schemes will struggle to be financially viable.

**Our response**

33. **The Cabinet is RECOMMENDED to cease funding the Dial a Ride service as of April 2016.**
34. As already stated, we are requesting £500K of one-off, pump-prime funding for groups to bid for in order to set-up community transport initiatives which meet an identified transport need in their area. We believe this will significantly help to mitigate the objections raised in the feedback. Fundamentally, the Dial a Ride is financially unsustainable in its current form.

**Your ideas**

35. As part of the consultation, we asked people to come forward with their own ideas for making savings. The ORCC report outlines the ideas which

communities and individuals suggested. While some are not viable, many were interesting and innovative, and we will continue to explore them with the communities concerned. The main ideas suggested, and our responses to each of them, are listed below:

<b>Idea from the public</b>	<b>Our response</b>
<p><b>Donations from concessionary pass holders</b>            Many respondents suggested those with concessionary bus passes who can afford to do so should be asked to pay a donation when they use their bus pass to help make the bus service viable.</p>	<p>Bus operators are not reimbursed the full amount by the Council because of the way the law stipulates that reimbursements should be calculated. We will look into the possibility, and legality, of asking for donations from willing pass holders. However, it would be difficult to set up such a scheme, as it would involve creating a voluntary payment mechanism that sent funds directly to the Council. A more practical solution would be for pass holders to refrain from using their pass and paying full fare to their bus operator if they can afford to and wish to. This would in effect be the same as a voluntary payment scheme, but would avoid the need for a complicated system for receiving donations. If the Cabinet chose to protect peak services, then this would have the effect of reducing usage of concessionary passes (albeit minimally given the size of the subsidised network).</p>
<p><b>Paying for Dial a Ride</b>            Similar suggestions were made regarding the Dial a Ride services. Many respondents would be prepared to pay more towards the service. At present, those registered with Dial a Ride are only required to pay a £5 pa membership fee.</p>	<p>Charging alone would not make the Dial a Ride service affordable for the Council, as we would still have to pay our drivers (unlike many voluntary schemes). As already stated, if the Cabinet decides to encourage community transport alternatives for affected users, it's possible that these replacement services will charge users for transport in order to remain sustainable.</p>
<p><b>Integrate bus network</b>            Many respondents called for bus routes to be changed or combined with other routes, as a means to secure their bus</p>	<p>We already do our utmost to integrate subsidised routes and look for other opportunities for efficiency as part of our regular reviews of the supported</p>

<p>services. Bus providers should be invited to suggest how services that are currently subsidised could be made more profitable.</p>	<p>transport network. On occasion, buses may mirror each other, either because multiple buses are needed to meet demand, or because a subsidised bus intended for a non-commercial area happens to mirror a commercial route for a part of the way. However, we never subsidise routes which unnecessarily duplicate commercial routes where there isn't an identified need. If Cabinet decide to reduce funding but retain some, then we will be engaging with operators and asking them for ideas on how to get the best possible coverage with the funding available. It's important to remember that the Council is not responsible for the bus network as a whole; we only play a role in filling gaps in the commercial network where it's necessary to do so.</p>
<p><b>Increase Council Tax</b> Some respondents suggested increasing Council Tax, if the additional funds could be ring-fenced for subsidised bus services and Dial a Ride services.</p>	<p>The County Council is unable to raise council tax over 1.99 % without a referendum. District and Town councils are able to raise their precepts at their discretion.</p>
<p><b>Area-specific ideas</b> Several area-specific ideas were put forward including: two new community minibus schemes; 1 new bus company idea; and extending existing community transport schemes to cover a wider geographic area</p>	<p>If Cabinet decides to set aside funding to support community transport schemes, we would encourage these proposals and others like them to come forward and bid for funding. Details of a number of community-based schemes which have been proposed during the consultation can be found in ORCC's final report in Annex D.</p>

## Implementation of option 2

36. We suggest implementing option 2 by removing the lowest ranked services as necessary (i.e. lowest priority, highest risk) in order to achieve full financial year 16/17 savings of £2.3m. Contracts would need to be terminated and notice given from as early as the start of December 2015. These removed routes would then cease being provided either 17 weeks after notice is given, or on the fixed date of 4th June 2016, depending on the contract.
37. The routes which were not removed would then remain in place until the end of 2016/17. During that time we would undertake a commissioning exercise

with the remaining budget, aimed at procuring the best possible subsidised bus transport network for Oxfordshire. This exercise would be outcome-based, guided by the Cabinet's preferred approach for prioritising services, but focused on meeting the identified transport needs of communities, rather than specific routes.

Any service changes resulting from this commissioning exercise will be subject to public consultation and final approval by the Cabinet.

38. Furthermore, we would like to explore the option of broadening out this commissioning exercise to include a range of other supported transport services, which could include:
  - Statutory home to school transport
  - Special Educational Needs transport
  - Subsidised buses (prioritised by criteria outlined by cabinet)
  - The Council's current in-house Fleet service
  - Community transport support
39. By including the entirety of our supported transport services and focusing on the network as a whole, it would have the effect of driving efficiency into the network. Suppliers would be able to flex their routing across the entire network.
40. This is an innovative means of commissioning which we would like permission to explore. It is requested that after exploration, the decision to launch a formal commissioning exercise is delegated to the member for transport. If we are able to secure best value for statutory services and the overall network, whilst demonstrating ability to protect vulnerable services, we will return to cabinet to present our intent to award, with any variation to outcomes or financial implications.
41. We may advise retaining certain services within the Council for safeguarding reasons or if it was cheaper for the Council to do so.
42. There are two main issues that could change the list of routes to be retained and withdrawn:

### **1) Contract retendering/re negotiations**

There may be instances where our preference would be to "withdraw" and to "retain" subsidies for separate services that are covered by the same contract.

In these cases it is likely that the contract would have to be modified to include only the parts we wish to retain. As a result the contract cost may increase (or decrease). This might mean that service(s) close to "the line" may be affected (potentially withdrawn).

### **2) Transporting children to school**

As part of the consultation, we proposed to protect subsidised bus routes which are used to take entitled students from home to school, where on the whole it is cheaper for us to do so, instead of paying for separate dedicated school transport. Not only would this allow the council to make more efficient use of its funds, but it would have a positive impact on communities who use the subsidised services.

## **Staff Implications**

43. There are no redundancy implications associated with these proposals. This area of work will be assessed after the Cabinet's decision and as part of the Integrated Transport Hub review, which will take place in the New Year.

## **Financial Implications**

44. Subsidised bus service and Dial a Ride savings will contribute towards the Supported Transport Programme's existing Medium Term Financial Plan (MTFP) savings of £6.250m by 2017/18.

Ceasing Dial a Ride would save the Council £0.26m.

The following summarises the impact on the MTFP target of either withdrawing all subsidises or reducing them by £2.3m (assuming the Dial a Ride saving is also made):

### Option 1 (withdraw all subsidised buses)

If this option is chosen, then based on current savings forecasts for the overall Supported Transport Programme, the MTFP savings will be exceeded by £1.2m million.

### Option 2 (reduce subsidised bus budget by £2.3m)

If this option is chosen, then based on current savings forecasts for the overall Supported Transport Programme, the programme will fall short of meeting its MTFP savings by £0.180m. This is partly due to increased pressures on the Home to School Transport budget since the start of the programme. Cabinet would need to reduce the subsidised bus budget by £2.480m in order to meet the existing MTFP savings by 2017/18.

## **Summary of recommendations**

### **Delivery of the agreed Medium Term Financial Plan savings**

**In order to deliver the savings required in the MTFP, the Cabinet is RECOMMENDED to**

- (a) Consider the consultation feedback regarding subsidised bus services.
- (b) Proceed with reducing bus subsidies by £2.3 million and:
  - 1. Consider the consultation feedback regarding subsidised bus services and decide which services to prioritise – off-peak, peak, or other.
  - 2. Update the methodology used for ranking services in the following ways:
    - i. Include additional criteria which ensure that rurally isolated and deprived areas are also prioritised.
    - ii. Agree to continue to pay for (i.e. protect in the methodology) subsidised bus routes which are used to take entitled students from home to school, where on the whole it is cheaper for us to do so, instead of paying for separate dedicated school transport. (This will vary routes available on a year by year basis as school cohorts change).
    - iii. Ensure a consistent methodology by treating all providers in the same way, whether they are external providers, OCC fleet or community transport providers.

If cabinet approves this request, then approximately two-thirds of the subsidies due to be withdrawn would cease in April 2016, and the remaining third would cease in June 2016. The £2.3m savings under option 2 would be realised in financial year 16/17, assuming notice was served in November / December 2015.

The exact details cannot be finalised at this stage due to variables including whether contract renewal renegotiations are required, which could alter costs.

- (c) Cease funding the Dial a Ride service as of April 2016.

### **Delivery of further savings subject to Council approval**

- (d) The withdrawal of all bus subsidies would deliver the full £3.7m savings if the cabinet makes this decision, subject to full council's approval in February

2016 to further reduce the Supported Transport budget. The full £3.7m savings, would be realised once all contract termination processes have been completed.

If Council approves this request, then the subsidies would cease at the following time:

- 50% of subsidies (59/118 services) require 17 weeks' notice and could terminate on 20<sup>th</sup> June 2016, assuming notice was served on 22<sup>nd</sup> February 2016.
- 31% of subsidies (37/118 services) require 16 weeks' notice but also require 16 weeks to modify the "Authorised Change Date". This means they would take 32 weeks to terminate. They could therefore terminate on 3<sup>rd</sup> October 2016, assuming notice to change the "Authorised Change Date" was served on 22<sup>nd</sup> February 2016, and notice to terminate the contract was served 16 weeks later on 13<sup>th</sup> June 2016.
- 9% of subsidies (11/118 services) require 16 weeks' notice and could terminate on 13<sup>th</sup> June 2016, assuming notice was served on 22<sup>nd</sup> February 2016. These are services operated by Oxfordshire County Council.
- 9% of subsidies (11/118 services) will expire naturally on or before the 31<sup>st</sup> March 2016.

Annex E shows which routes fall into each category.

### **Allocation of one-off, pump-prime funding**

**The Cabinet is RECOMMENDED to:**

- (e) Allocate (from the efficiency reserve) £500k of one-off, pump-prime funding for groups to bid for, in order to set-up community transport initiatives which meet an identified transport need in their area

### **Exploring a new approach to Transport**

**The Cabinet is RECOMMENDED to:**

- (f) Approve the suggested implementation approach, including the request to explore the option of undertaking a larger scale commissioning exercise which includes a range of supported transport services, in addition to subsidised bus services.



Depending on the cabinet's decision on whether to withdraw all bus subsidies, this commissioning exercise will either include the remainder of the subsidy budget, or exclude it if cabinet decides to withdraw all funding.

**Report by Sue Scane, Director for Environment and Economy**

Contact Officer: Alexandra Bailey, Service Manager – Business Development and Fleet Management

Supporting Documents:

Annex A – Update Methodology and Results  
Annex B – Results  
Annex C – ORCC Report on Public Consultation Responses  
Annex D – Consultation Document  
Annex E - Contract Termination Terms  
Annex F - SCIA

November 2015