

<b>NAME OF SCRUTINY COMMITTEE</b>	<b>COMMUNITIES</b>
<b>DATE OF MEETING</b>	<b>2 December, 2014</b>
<b>TITLE</b>	<b>The Future of Public Transport in Gwynedd</b>
<b>AUTHOR</b>	<b>Aled Davies, Head of Regulatory Department</b>
<b>CABINET MEMBER</b>	<b>Cllr W. Gareth Roberts</b>
<b>PURPOSE</b>	<b>To scrutinise and express an opinion about the possible impact on the residents of Gwynedd of implementing the changes based on the results of the matrix.</b>

#### **BACKGROUND**

1. The Integrated Transport Unit deals with all matters relating to carrying people in Gwynedd, be it Public Transport, Education (Statutory) buses and taxis, Community Transport or Transport for Social Services.
2. The Unit has enabled the rationalisation of arrangements for procuring and packaging tenders to ensure value for money from the services bought. Consequently, the duplication of work within the Council has and is reducing along with the effort that must be invested by different Departments.
3. Over recent years a challenging programme of retendering all Public Transport and Education Transport services has been completed as follows:
  - Meirionnydd – October 2012 - Saving of £186,000 in Public and a saving of £229,000 in Education.
  - Dwyfor - April 2013 – Saving of £48,000 in Public and £361,000 in Education
  - Arfon – January 2014 – An increase of £194,000 in Public and a saving of £306,000 in Education.
4. As a result of the retendering process along with other minor changes, the picture in terms of the available funding and expenditure on transport is as follows:

**Budgets:**

Financial Year	Public Transport	Education Transport	School Taxis	Total
2008-09	£2,202,930	£2,527,640	£1,986,500	£6,717,070
2009-10	£2,271,260	£2,859,700	£2,159,560	£7,290,520
2010-11	£2,137,330	£2,817,610	£1,749,760	£6,704,700
2011-12	£2,165,770	£3,001,000	£1,630,743	£6,797,513
2012-13	£1,896,950	£2,908,660	£1,673,410	£6,479,020
2013-14	£1,945,410	£2,798,950	£1,866,960	£6,611,320
2014-15	£1,921,110	£2,590,240	£1,781,880	£6,293,230

**Expenditure:**

Financial Year	Public Transport	Education Transport	School Taxis	Total
2008-09	£2,358,489	£2,672,707	£1,951,944	£6,983,140
2009-10	£2,168,220	£2,715,485	£1,838,142	£6,721,847
2010-11	£2,119,057	£2,855,373	£1,762,210	£6,736,640
2011-12	£2,061,461	£3,035,708	£1,671,606	£6,768,775
2012-13	£1,642,405	£2,980,059	£1,709,094	£6,331,558
2013-14	£2,059,572	£2,769,058	£1,743,521	£6,572,151
2014-15	£2,475,476	£2,611,214	£1,809,880	£6,896,570

5. It can be seen from the above tables that significant savings have been found, but there has also been a reduction in the available budgets. There are two main reasons for the budget reductions:
  - Money going towards Gwynedd Council savings
  - Cuts in government grants
6. Also, during March of this year, a local bus operator, Bws Padarn, had to close for financial reasons. Bws Padarn used to deliver a number of contracts on behalf of the Council in addition to providing commercial services at no cost e.g. Caernarfon to Llanberis and Bangor to Llanberis.
7. The additional cost of providing services in light of the Bws Padarn situation is approximately £430,000 a year. Work undertaken by the Department has now enabled the Council to reduce this figure, down to £120,570.

### **The Financial Deficit**

8. The financial deficit in this years transport budget is substantial and it includes:

£224k effect of a reduction in BSSG [Bus Services Support Grant]

£194k increase in costs as a result of re-tendering

£121k increased costs as a result of the Padran Bus Station [includint Education]

(39k – Savings in other various journey)

A deficit total of £500k in the public transport budget. No permanent funding has been allocated to fill this deficit based, however, resources have been allocated to partly bridge the deficit until a decision on the future of transport provision has been taken.

9. It is clear from the tables in section 4 that the deficit in the transportation budgets is higher than this reaching a total of £604k. The reasons for this are that Education Transport has a deficit of £76k and School Taxis has a deficit of £28k.

### **Further Risks**

10. It is likely that there will be an annual reduction in the Government's grant for supporting transport services and in addition to this, it is likely that the payments that bus operators receive for carrying passengers with travel passes will be reduced by the Government. In addition, the subsidy for administrating travel passes is also likely to be reduced.
11. There are risks that other companies will close down their businesses and this could increase the costs of providing services.
12. It is reasonable to expect fuel prices to increase during the coming years, along with salary costs.
13. Unless another financial source becomes available, a combination of the above-mentioned matters could lead to the commercial services that currently run in the County to be no longer viable. It could also result in bus operators ending their agreements with the Council as the subsidy is not adequate enough to sustain the service. We can therefore expect costs to gradually increase over the coming years and funding to maintain services declining.

### **Rationalising Services**

14. Education Transport is statutory transport, and therefore, the Council must provide it.
15. In terms of Public Transport services, these are not statutory; therefore it is the Council's choice whether or not to provide them. With an overspend in the Public Transport budget of approximately £604k per annum an cuts to the value of £50 million to find, the Council has difficult decisions to make.
16. All services provided by the Council must be looked at in making these difficult choices and Transport is not exempt from this process of assessing options.
17. We must therefore look for ways to rationalise public transport services to meet the financial deficit. The transport matrix had already been discussed by the Preparatory and Scrutiny Committee where it was decided that the matrix, with minor adaptations, was the appropriate tool to use to prioritise service provision.

18. The matrix was further discussed with a Working Group of the Council's Cabinet. The Working Group's opinion was that costs per head should not be given the same weight when considering prioritising journeys, and that the focus should be on the services provided and the impact of cutting those services on Gwynedd residents.
19. The Working Group's opinion is that priority should be given to providing public transport where there is need for it (i.e. where no other transport is available) in order to be able to access the following:
  - Public Services Centres
    - Education
    - Health
    - Libraries
  - Employment Centres
  - Social Centres
  - Links to Main Transport Routes
  - Shopping Centres
20. The matrix was redesigned in light of this, and it now focuses on the following elements only:
  - The area receiving service (e.g. town to village etc.)
  - Number of passengers
  - Is there another option? (e.g. Less frequent bus, community transport etc.)
  - Type of service (e.g. journeys to work, evenings, Sundays etc.)
  - Facilities on the route (e.g. Surgery, school etc.)
21. The detail which lies behind the following elements has been included in Appendix 1.
22. The new matrix includes the score details for each of the aspects as enclosed in Appendix 2.
23. Every journey which receives financial support/subsidy from the Council has been assessed and scored in the context of the matrix. As part of this process, detailed attention was given to the impact of deleting routes or reducing the frequency of journeys on the County's communities. This included the impact of individual journeys and the combined impact of changing the journeys in a specific area.

#### **Considering the Results of the Matrix**

24. The results of the matrix are presented based on the current information about every individual route and journey. However, it should be noted that the matrix is a live document and that any new information received will be fed into the matrix and any influence this will have on the results will be addressed.
25. On the other hand, the Transport Unit is aware that the information about some journeys is more robust than about other routes/journeys. This usually involves journeys where circumstances have changed recently e.g. retendering or changing from being a commercial journey/route to a subsidised journey/route. The information about the ones which have been established for, say, over 12 months is more robust than journeys which have changed within the last six months. The Unit is making every effort to fill the few gaps in information which exist and this will be fed into the matrix before a final decision is made.

26. In addition, at the request of the Cabinet, further work is being undertaken to seek the opinion of passengers on journeys which are under threat and to obtain information about why they are using transport services. Similar work was undertaken approximately two years ago and the intention is to support that information based on a sample. Again, the relevant information arising from the work will be used as part of the context for making final decisions on the future of transport services.
27. This report, which sets the context of the results of the matrix, is presented to the Scrutiny Committee for information and to seek opinion regarding the results as a whole. Although the Committee has scrutinised and supported the content and use of the matrix in the past, the Committee is asked to look again at the basic principles and priorities used.
28. More than anything, the Committee is asked to scrutinise and express an opinion about the possible impact on the residents of Gwynedd of implementing the changes based on the results of the matrix.
29. The Committee's opinion will be presented as part of the report to the Council Cabinet to make a final decision.