

**Minute extract from Scrutiny Panel meeting on 16 March 2021**

**295. Review of Bus Service Provision**

A statement was read out on behalf of a member of the public, Mr Chris Piggott, pursuant to the provisions of paragraph 5(1) of the Council's Remote Meetings Procedure Rules. Mr Piggott wrote to raise issues with a perceived lack of public transport infrastructure, especially in South Colchester, where bus use could involve lengthy journeys and a need to change buses. An assurance that this would be considered in the future was sought.

A statement was read out on behalf of a member of the public, Mr Thomas Rowe, pursuant to the provisions of paragraph 5(1) of the Council's Remote Meetings Procedure Rules.

Mr Rowe wrote to raise the following questions:

1. Whether a circular route from Ipswich Road to the hospital could be investigated.
2. Whether the possibility of the Number 2 bus to stop on Queens Street could be evaluated.
3. Whether rest breaks for drivers could be organised not to coincide with commuting and rush hours.
4. Whether the Council could liaise with Greater Anglia to better coordinate arrival and departure times for improved connections and journey times.
- 4a) How often waiting times are reviewed and what is considered to be an acceptable wait time is for passengers getting off trains.
5. Whether pricing could be more competitive during off-peak hours to encourage more users.
6. Whether buses could run for longer hours to help facilitate the night time economy.
7. How often routes were reviewed, and how demand was measured or predicted to determine new routes and times.

Jane Thompson, Transport and Sustainability Joint Lead, introduced the review and invited Helen Morris, Head of Essex County Council's Integrated Passenger Transport Unit [IPTU] to address the Panel.

The Head of the IPTU asked for any questions about specific issues to be sent to County Council cabinet members, rather than raised at this meeting, as the pre-election period had almost been reached. She then detailed structural issues faced by bus provision under the deregulated model used in Essex. This model entailed the great majority of services being commercially run, with 15% of services supported by the County Council for the good of the public.

A continued decline in passenger numbers had been recorded since 1985, leading to reductions in investment over time. Passenger numbers remain crucial to support service provision. Essex covered many rural areas in which it was a challenge to deliver bus services, with some areas not being served by any routes. Passenger confidence was now an even greater issue, due to Covid-19 fears, and there was a need to shape the bus network to reflect changed travel patterns.

The bus transport sector was currently experiencing market failure, due to Covid-19, so significant public funding had been needed to subsidise the service whilst restrictions had drastically cut passenger numbers. Tribute was paid to those who had kept the network functioning during the pandemic, and partnership working was praised. The County Council's bus strategy had been badly hit and will be adjusted to reflect any Department for Transport guidance issued.

The 'Safer, Greener, Healthier' Strategy was outlined, to reduce car use and improve the environment and public health. £2.5m had been granted by the Department for Transport and the Head of the IPTU explained how the Borough Council and its members could help the Strategy to succeed. This included promotion of bus use, promotion by the Council and members, forming a pro-bus vision and complimentary parking strategy for the Borough and looking to use S106 money from planning applications to help the Borough and County Councils work to provide new routes and stops for new developments.

Richard Gravitt, Essex County Council Strategy, Growth, Infrastructure & Integration Manager, explained that the County Council spent £8-£9m on bus service provision within the year, £20m on school bus transport and £17m on concessionary bus fares. Tracey Vickers, County Council Head of Sustainable Transport, explained that the draft County Travel Strategy was going to be presented, but that the County's Cabinet had agreed to send it for further consultation, following requests for this. The County Council's current strategy was to persuade the public to only travel when necessary, to push modal shift to safer/healthier/sustainable options for travel. Prioritisation had been given to promoting active travel, rebuilding passenger transport and exploring new approaches and driving behaviour change to affordable alternatives to private motor transport.

The Transport and Sustainability Joint Lead gave an overview of views expressed by bus operators in the past, including complaints that congestion was a problem and that parking charges were too low and acted as a disincentive to bus use. Work had been promised to improve punctuality and access, engagement with stakeholders and improving environmental standards.

Piers Marlow, FirstGroup Managing Director, gave more information on how Covid-19 had forced changes to service provision since the previous March. Some routes had experienced drops in usage of up to 90%, with the best performing down by 50%. Social distancing had drastically reduced capacity and forced reductions in vehicle use. Plans were in place for 12 April to meet an increase in traveller numbers. Since schools had reopened, service usage had risen to around 35/40%.

Julian Elliott, FirstGroup, noted that punctuality had improved, thanks to a drop in traffic density and a lowering of the variation in journey times because of this. This shows what was possible, if congestion were to be addressed once Covid-19 restrictions were eased. Travel patterns were expected to change. Hybrid working was expected to remain commonplace, so work was underway to look at a range of tickets for semi-regular passengers.

Two-thirds of passengers were now paying via cashless options. Digital options would continue to be promoted, but cash was still a valid way to pay. Online booking options included tools to check seat availabilities.

FirstGroup's Managing Director regretted that the pandemic had hit their plans for improving environmental performance but gave assurance that efforts were still underway to increase the use of vehicles meeting the Euro 6 standard. A 'Green Road' Strategy was being used to change driving styles, to increase safety and reduce emissions. No new diesel buses would be brought into use after December 2022. Existing diesel vehicles would be phased out and replaced with zero-emission alternatives. FirstGroup operated electric vehicles across the UK and this might be possible to do within the Borough.

The bus operators worked in partnership with the County Council, under the National Bus Strategy, to improve coverage and uptake. All Essex operators met regularly with the County Council to raise and address any issues.

Glenn Shuttleworth, Go East Anglia's District Manager, informed the Panel that Go Ahead [operators of Heddingham and Chambers buses] was investing in new technology, now operating the largest electric fleet within London. Go Ahead had experienced similar effect from the pandemic as FirstGroup, with passenger numbers now returning to levels closer to normal.

The new national Bus Strategy was argued to be a good opportunity for operators and councils to work together to expand bus usage.

The District Manager echoed the view that parking in the Borough was too cheap and added that the bus operators suffered from the lack of a dedicated bus station. It was posited that the use of buses would be improved if the Colchester Business Improvement District could look at efforts to incentivise bus use, such as offers and deals for bus passengers from local outlets.

Michael Jennings, Arriva's Area Head of Commercial, emphasised the challenges in the sector. Focus had been given to maintaining a core network that was safe for use. Like other operators, some routes had lost around 90% of their passenger usage during lockdown.

Partnership working was described as essential to create a strategic approach, increase passenger numbers and to gain access to funding streams. With travel patterns changing, now would be a good opportunity to help shape new travel habits and persuade people to use buses.

Tracey Rudling, Chief Executive of Community 360, described her charity's role in supplying minibuses designed for accessibility. Community 360 had experienced a challenging year, due to Covid-19. Around 50,000 trips were carried out, in a normal year, for vulnerable service users and those who could not access general public transport services. Most clients were classified as being at increased risk of Covid-19, and a significant percentage of the volunteer drivers had been unable to work during the pandemic. Community 360 had experienced an approximate loss of £10k from its community transport operations each month during the pandemic.

The Head of ECC's IPTU praised the successes of community transport schemes and explained the County Council's approach of shaping their operations around community schemes. The Chief Executive of Community 360 detailed their operations and ventured the possibility of partnership working between community schemes and commercial operators.

An investment had been made in five leased buses, contactless payment options had been put in place and measures engaged to minimise any risk of Covid-19 infection. Around 18,000 journeys had been undertaken during 2020, with total mileage of around 1,200 miles and regular checks were carried out to ensure driver and passenger safety. Options had been introduced to allow social activities to move online, to reduce the need for travel to in-person meetings.

The Panel commenced their discussion, raising a range of factors impacting on passenger transport, such as the Ipswich Road roundabout roadworks and the increased number of properties from new developments. A member [Councillor Hogg] requested a comparison be provided to show the route network which will be in place after the ending of Covid-19 restrictions, compared to the network which was operated prior to the pandemic. It was agreed that this request would be added to the questions asked in the 'Have Your Say' contributions from the public and sent to the Head of ECC IPTU so that they could be discussed with operators and responses provided. Owen Howell, Democratic Services Officer, would ensure these were sent to Helen Morris at Essex County Council for this purpose. It was noted that operators were in a difficult position as it had not been possible to conduct a long-term review to envisage future networks. Recent announcements regarding a national bus strategy were noted as potentially heralding a better opportunity for operators and councils to come together to plan for the future. Achieving increased bus usage would 'tick many boxes' involving environmental goals, desirable modal shift, reducing congestion and improving public health.

It was asked whether Essex was too large and heterogenous an area to allow a single transport network to be successful and whether there was scope for services to be provided by mutual organisations and community providers. The Head of ECC's IPTU confirmed that it was the diversity of Essex which presented the greatest challenge, rather than the size. Different network types were required for different types of areas. Department for Transport modelling had only been on areas such as Oxford or Brighton. Granular modelling and planning were required for each different type of area. Issues were greater for rural areas, an example being that there were no 'town deal' funds and fewer funding options for rural areas.

Government funding covered 75% of the cost difference between diesel and electric buses, which did not make it financially viable to fully replace all diesel vehicles. The County Council has raised this concern with Government and has pushed the need for 'branch' schemes which extend beyond the main routes.

The Panel were informed that the new national bus strategy was highly detailed and had a focus on partnership working between transport authorities, bus companies, community transport operators and statutory partners. The Borough Council could support this via its approach to its administration of the planning system, via the local plan, by influencing town development and its parking strategy, and by working with partners such as the Business Improvement District and hospital to design a granular approach for the Borough.

FirstGroup gave assurance that opportunities for improvement would be significant, but that the Council should be patient whilst operators conducted recovery work after the pandemic and worked to bring capacity up to full strength.

A Panel member stressed the importance of reducing congestion and expanding bus use. The guests were asked how long it would be before zero emission vehicles could be brought into use in the Borough. Piers Marlow informed the Panel that FirstGroup's early plans were examining use of electric vehicles, rather than hydrogen-powered. This was unlikely to happen within the coming two years but was possible within three to five years. Infrastructure set-up was the key issue.

Members asked why the £2.5m funding from Government for electric buses had only been used for vehicles in central Essex. The Head of ECC's IPTU explained that the bidding criteria for this funding had been very specific, especially with regard to rurality. Two pilot schemes in rural parts of central Essex had therefore been proposed where no services had previously been possible. These would include trialling of electric minibuses, app functions and methods to push modal shift and give digital support to service users. More details would be provided to members following the meeting.

The guests were asked whether a 'one-stop shop' application could be possible. Non-digital payment tended to slow journey times, and touch-payment was suggested as a way to improve the situation. It was confirmed that the technology existed for this and needed to be examined. The Bus service open data service already provided information on all operators' services and timings and would in the future provide fare data also. This was in line with the statutory requirements laid out in the Bus Services Act 2017. It was noted that research carried out with non-bus users living near stops had found that a lack of knowledge and fear of being caught out was a key disincentive to use of the bus services.

It was queried what councillors could do to help via setting conditions for Section 106 contributions and conditions on new developments to ensure bus stops and infrastructure are provided. The officers of ECC explained that Tier-Two authorities such as borough councils should work with the County Council to include sustainable transport measures and ensure flexible agreements which included the provision of new infrastructure, with new services and infrastructure working together. Part of the planning process was to consider ways to drive modal shift and some past 106

agreements had included enhanced bus provisions. The new national strategy indicated a move towards allowing councils a greater ability to work together, including on the use of online apps to cover multiple council areas. The simpler the online ticketing app was, the easier and quicker it would be for payment and the more likely it would be to increase uptake.

The Panel discussed what possible benefits would be likely were the current High Street restrictions on private vehicle use to be kept in place. Jonathan Ellis, FirstGroup, stressed the importance of enabling buses to quickly enter and leave the town centre. Essex County Council's Strategy, Growth, Infrastructure & Integration Manager noted that bus stop capacity in the Town centre was limited, with many concentrated on the High Street.

Councillor King, Portfolio Holder for Business and Resources, explained that Cabinet had held discussions with the Business Improvement District regarding potential ways to use a strategy and offers to increase passenger numbers coming in to Colchester. There was strong support for active and sustainable travel, such as via the County's 'Safer, Greener, Healthier' approach, aiming to move people away from car use.

The Panel discussed pricing difficulties, observing that increased passenger numbers were needed to allow fare prices to be reduced, whilst fare reductions could increase passenger numbers. It was asked what could be done to reduce fare prices and what level of reductions in fare prices would be needed to increase passenger numbers by the required amount [i.e., price elasticity of demand]. The Managing Director of FirstGroup elaborated on his expectation that, post-pandemic, travel patterns would be very different, and that ticket offers would need to match the new patterns and seek to attract new users. There were many options, but all depended on partnership working. Essex County Council's Strategy, Growth, Infrastructure & Integration Manager explained that demand for bus use was price inelastic in the short term, but more elastic over time as alternatives were sought by service users.

It was expected that the majority of expected government funding would commence from 2022 onwards. The Panel were informed that a key challenge was how to accommodate bus routes within the historic streetscape of Colchester. There were design and funding challenges, which required investment to overcome. It was suggested that bus users tended to browse, buy and use services more whilst shopping, and that this should be used to make the case to the town centre retail and service community that increased bus use helps their businesses.

Glenn Shuttleworth, Go East Anglia's District Manager, told the Panel that his firm had been urging local authorities to make different decisions regarding passenger travel contracts. The current system was built around accepting the lowest-cost bids, which makes it harder to improve environmental and service standards. The Head of ECC's IPTU confirmed that the current system was based primarily on cost, to maximise the network coverage that could be afforded. This would need to be addressed when the national bus strategy was considered. With school transport services costing around £30m per annum, this system required modernisation; the current system was still based on rules laid down in 1948.

The Panel discussed whether to make a recommendation that Cabinet work with the Colchester Business Improvement District and bus operators to attempt to find ways to provide offers to bus users in order to drive a modal shift from car use to bus use, in addition to promoting sustainable and active travel options.

The Panel then considered whether to make recommendations to encourage councillors to promote local bus services and for the Council to work with the national Bus Strategy to help improve investment in local buses, to potentially boost the local economy and create jobs. There was also a further recommendation proposed that the Council uses its powers as a tier two authority to incentivise and support bus use and seek lower ticket prices. The Portfolio Holder for Business and Resources advised that recommendations would be most effective if specific and based on the partnership working between the Council and Essex County Council.

A number of recommendations were then proposed formally and agreed as follow below. The Chairman then thanked the Panel's guests for participating in this review.

*RECOMMENDATION* to CABINET that: -

- (a) Cabinet encourages councillors to take up the '#UseTheBus challenge', to invest in local communities, jobs and the environment by championing bus travel.
- (b) Cabinet uses the powers available to a Tier Two authority to enhance and highlight modal shift from car use. Powers of Planning, redevelopment of Town Centre and a boroughwide Parking Strategy being examples (but not an exhaustive list) of these powers.
- (c) Cabinet investigates incentives and offers, through the Business Improvement District [BID] and business partners, in developing a level playing field for bus passengers, when compared to parking deals, thus promoting sustainable transport options.
- (d) Guidance be issued to all elected members as to the options available regarding use of Section 106 funds from new developments, potentially to support bus infrastructure and routes.
- (e) Cabinet directs officers to investigate the possibility of working with partners to create a Borough-wide travel app, to support and encourage use of sustainable and active travel options.