

**Report To:** Cabinet

**Date of Meeting:** 25th September 2012

**Lead Member:** David Smith, Lead Member for Public Realm

**Lead Officer:** Stuart Davies,  
Joint Head of Highways & Infrastructure

**Report Author:** Peter Daniels,  
Section Manager, Passenger Transport

**Title:** Bus Services & Reductions

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**1. What is the report about?**

To advise Cabinet of the implications of Welsh Government funding reductions, the subsequent consultation on bus service reductions and to propose cuts in bus services in 2012/13 and 2013/14.

**2. What is the reason for making this report?**

To ensure the bus service budget is contained in 2012/13 and in subsequent years.

**3. What are the Recommendations?**

- 3.1 That the reductions for 2012/13 as proposed in paragraph 4.7 be made as soon as possible.
- 3.2 That, subject to ministerial review and any new arrangements in administering grants for bus services in 2013/14, the reductions identified in 4.8 and Appendix 2 be made on and from Monday 1st April 2013.
- 3.3 If the Abergele Hospital pilot funding is unsuccessful, that a community car service be introduced from the Rhyl & Prestatyn areas, in accordance with paragraph 4.7
- 3.4 That should there be a marginal balancing reduction that this be delegated to the Joint Head of Highways & Infrastructure in consultation with the Lead Member.

**4. Report details**

- 4.1 In February 2012, the Welsh Government (WG) announced it would be making a 27 per cent cut in the Local Transport Services Grant (LTSG) it pays local authorities towards supporting local bus services. This equates to approximately £108,000. LTSG together with the Council's own funding has supported a range of bus services such that the Vale of Clwyd now enjoys a good bus service. The former Lead Member

agreed that it should be the new and not the old Council who considered the implications of such a financial reduction.

- 4.2 Communities Scrutiny considered the issues on 14th June 2012. It resolved that officers would consult with passengers and communities on the impact of a series of defined possible cuts before consideration by a Bus Service Reductions Working Group. The consultation process ran from mid-June to mid-July 2012 and a number of local press reports helped the response.
- 4.3 The Working Group met on 2nd August 2012 to consider in detail the outcome of the consultation. Minutes of the Group's meeting are attached as Appendix 1 to this report.
- 4.4 In the meantime, during the consultation process, WG had announced that for 2012/13 it would be mitigating the level of cuts to some 10 per cent (some £39,000). For future years, the minister has subsequently formed a review group to consider how grants will be managed although, at the time of writing, he has not yet made a decision. It is understood that in 2013/14 he might:
- Amalgamate LTSG with the grant paid directly to bus operators;
  - Reduce the total grant by up to an additional 17 per cent (up to 27 per cent in total); and
  - Administer the grant through each of the regional transport consortia (Taith in North Wales).
- 4.5 It is too early to predict the implications of the ministerial changes as they will have profound effects on:
- Commercial bus services (those without support from Councils);
  - Financially supported bus services; and
  - The way bus service grants are administered from 2013/14.

#### **2012/13 (Cut of 10 per cent)**

- 4.6 Taking into account the views of consultees, the Bus Services Reductions Working Group agreed the following proposals for 2012/13 should be considered for immediate implementation at Cabinet:
- i. Withdraw the £10,000 subsidy for the custody suite demand responsive taxi service from St Asaph to Rhyl.
  - ii. Withdraw the approximate £20,000 in LTSG funding for bus shelters.
  - iii. Withdraw £10,000 funding for the bus enquiry office at Rhyl Bus Station.

- iv. Reconfigure the Denbigh town taxi to include the bus to Llansannan and Nantglyn (£15,000) (under consideration before the WG announcement and required because the existing rural arrangements were not working).
- v. At need, £9,000 from other changes as proposed within the original scrutiny report, at need.

Note that the total sum of approximately £25,000 additional reduction to accommodate passenger requests, notably a new service by community car to and from the transferred eye clinic at Abergele. This may not be required and is subject to discussions with the Betsi Cadwaladr University Health Board in terms of a potential pilot.

### **2013/14 (possible cut of 10 + 17 = 27 per cent)**

4.7 Although during the consultation WG reduced the need in 2012/13 to a 10 per cent reduction, the Working Group continued to consider the results of the consultation, in the light of the likely 2013/14 27 per cent reduction. Although this may now depend upon the ministerial review as outlined in paragraphs 4.4 & 4.5, in the light of the consultation, the Working Group agreed a further tranche of reductions. These were as proposed to the Communities Scrutiny of 14th June 2012 but amended by the Working Group, following responses from consultees. Details of these reductions are in Appendix 2 to this report.

## **5. How does the decision contribute to the Corporate Priorities?**

Cuts in passenger transport services have a negative impact on corporate priorities especially for:

- (a) older and younger people (who are both most reliant on public transport); and
- (b) in terms of the environment (higher fares & fewer services will discourage bus use and increase car journeys).

Additionally, they affect the Wales National Transport Priorities of sustainability, supporting economic growth and social inclusion. It affects additionally on disabled people.

There is an equalities impact assessment regarding the potential reductions (see Appendix 3).

## **6. What will it cost and how will it affect other services?**

6.1 Reduction in 2012/13 (10 per cent) amount to some £39,000 and in 2013/14, subject to confirmation, £108,000 (10+17 per cent).

6.2 Note that in 2013/14, should commercial services also be withdrawn as a result of changes to grants, the Council may need to consider the priority of providing these against existing supported services.

**7. What consultations have been carried out?**

The consultation exercise included contacting town & community councils, convening the Rural Transport Forum and by arranging a drop-in Bus Surgery. Passengers were informed by notices on buses and through the press.

**8. Chief Finance Officer Statement**

The reductions to WG funding will create a cost pressure in the service. In the current climate, there is an expectation that services attempt to contain pressures within existing resources. The full impact of this in financial and service delivery terms should also be highlighted during the forthcoming service challenge process and in the budget round in the autumn.

**9. What risks are there and is there anything we can do to reduce them?**

Financial—in not bringing in the cuts immediately.

Reputational—in being unable to meet contract operators' requests for additional funding to mitigate grant reductions and in shouldering negative PR.

Environmental—potential for increased car journeys.

Corporate—reductions during a time when there are corporate strategies to assist an ageing demographic (on average, at least 40 pc of bus users are 60 or over) or younger people (another important segment of bus users).