

Delegated Decision

14 May 2020

Durham County Council Response to All Party Parliamentary Group (APPG) and Cross County Network (CCN) Inquiry into Bus Services in Shire Counties and Rural Areas



Report of Corporate Management Team

**Geoff Paul, Interim Corporate Director of Regeneration, Economy
and Growth**

**Councillor Carl Marshall, Cabinet Portfolio Holder for Economic
Regeneration**

Electoral division(s) affected:

Countywide.

Purpose of the Report

- 1 To seek authorisation for the content of the council's response (Appendix 2) to the All Party Parliamentary Group (APPG) and Cross County Network (CCN) inquiry into bus services in shire counties and rural areas and to submit these responses as part of the consultation (which closes 15th May 2020).

Executive summary

- 2 The inquiry by the County All Party Parliamentary Group (APPG), supported by the County Councils Network (CCN), will investigate the decline of rural bus services and make recommendations to Government, with ministers pledging a multi-billion investment into buses over the coming years and a National Bus Strategy.
- 3 Figures from CCN, which represents 36 county and unitary councils in England, show that funding for bus services for those areas has almost halved by £89.8 million since 2010; a 46% drop. In this same period of austerity, the council's budget for net spending on subsidised routes decreased from circa £4.5 million in 2010/11 to £2.5 million in 2018/19

(net). In contrast, city regions' drop-in funding is £29.2 million over the same period, representing a 19% drop.

- 4 This inquiry aims to provide new insights into the impact of reductions to local services, how services in rural areas have adapted in recent years and highlight the role of sustainable transport links in tackling climate change. Most importantly, it will provide clear recommendations to inform the development of the National Bus Strategy to ensure county areas fairly benefit from the levelling-up agenda.
- 5 The council's response outlines how the council have managed the cuts well, by taking a strategic approach to cutting subsidies at off-peak times. Notwithstanding this, the council's response (as detailed in Appendix 2 and summarised in paragraphs 15 to 19) sets out the case for how bus services could be improved across the county with adequate funding and the correct focus in the National Bus Strategy on affordable fares and zero carbon vehicles. Franchising should only be pursued if supported with appropriate funding allocations.
- 6 The impact of the Coronavirus pandemic on public transport ensures that this inquiry and the Government's subsequent National Bus Strategy will be tremendously important for bus services in our County.

Recommendation

- 7 The Interim Corporate Director of Regeneration, Economy and Growth is recommended to agree the council's responses to the All Party Parliamentary Group (APPG) inquiry into bus services in shire counties and rural areas

Background

- 8 The County APPG is a cross-party group of county MPs which acts as a forum for parliamentarians to consider the critical issues and challenges faced by county areas and their communities. The County Councils Network (CCN) is the secretariat to the group.
- 9 The CCN is the national voice for England's county councils. It represents all 26 county councils and 10 county unitary authorities. Collectively, they represent 26 million people or 47% of the country's population. It is a special interest group of the Local Government Association.
- 10 The council has prepared responses to the APPG/CCN consultation in order to seek to influence and shape national planning policy and legislation.

All Party Parliamentary Group (APPG) and Cross County Network (CCN) Bus Inquiry

- 11 A report published in 2018 by the County APPG found that the reduction in bus services is having a negative impact on the social mobility of residents in county areas in terms of access to skills and education. This new inquiry will investigate the decline in funding and provision of rural bus services and highlight the impact that this is having on rural communities.
- 12 A call for evidence has been announced, inviting submissions from local authorities, bus operators, as well as local and national stakeholders. MPs are urging county authorities to provide evidence on the impact that reduced funding has had on rural bus services and the solutions councils have adopted to respond to the challenge. Evidence collected through this inquiry will form the basis of a report, which will be published in the summer.
- 13 CCN and the County APPG will consider how better connectivity through bus services could assist in the Government's ambition to level up areas, improve access to education and healthcare, skills and training and tackle climate change through improvements to sustainable transport links.
- 14 The joint inquiry is open for evidence until Friday 15 May 2020.

Overview of Durham County Council responses to APPG/CCN

- 15 The most important bus services for our rural areas are the core services that run along the spine of our established rural bus network. Our authority has managed to retain the bulk of our existing subsidised services despite austerity. In May 2011, the council took a strategic

approach based on public consultation and discussions with operators. Subsidies for services were withdrawn at off-peak times such as late evening (after 8.00 p.m.) and at weekends (all Sunday services).

- 16 In total, the council's budget for net spending on subsidised routes decreased from circa £4.5 million in 2010/11 to £2.5 million in 2018/19 (net). The council believe we managed the cuts well so that services were largely retained along the core routes in rural areas despite the significant loss of budget.
- 17 The council has been able to preserve the core of our key routes and services as it was in 2011 but have not had the funds or resilience to adapt to land use or travel demand changes since then. For example, the council has sought to firmly seize employment opportunities whenever these have been available and this approach has led to some considerable success. However, the location of these new employment sites tends to be edge of centre and rarely complements traditional bus corridors in the county. Essentially, the network remains more or less as it has been for the past ten years.
- 18 In terms of policies for the multi-billion-pound National Bus Strategy for County Durham the single intervention that would make the greatest difference to the provision of bus services would be increased funding guaranteed into the long term. With this in mind, the council is not supportive of increased franchising powers if delivered as a standalone intervention. This would not solve the existing issues of lack of funding, unaffordability of bus fares or falling patronage, but would give the council sole responsibility for any issues with the bus network. Without greater funding, the council would not have the means to solve issues of reliability or lack of services at evenings, or on Sundays and bank holidays. Franchising should not be required to be undertaken where authorities lack the resources to deliver its potential benefits.
- 19 The priority policy areas for the Governments National Bus Strategy set out in the council's response are the affordability of fares, the transition to zero carbon buses, the impact on town centres, integration with land use and spatial planning policy, a focus on social inclusion and the consideration of hydrogen buses.

Next Steps

- 20 Once the responses are agreed they will be submitted to Government in response to the All Party Parliamentary Group consultation before the deadline of 15 May 2020.

Conclusion

21 This report has provided an overview of the APPG/CCN inquiry into bus services in shire counties and rural areas and an overview of the key messages as contained within the council's responses.

Background papers

) None.

Other useful documents

) None.

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Appendix 1: Implications

Legal Implications

This is the first consultation only. No legal issues are identified at this stage.

Finance

The inquiry itself does not have direct impacts on the financial subsidies that are provided by central Government to the council in terms of bus grants. However, the council will be hoping for greater levels of settlement in future years as the Government had announced a £5 billion investment in buses and a National Bus Strategy.

Consultation

This is an All Parliamentary Party Group (APPG) consultation to which the council is responding.

Equality and Diversity / Public Sector Equality Duty

No implications for the council. It is assumed the APPG have fulfilled their statutory duties relating to this consultation.

Climate Change

In the detailed response (as detailed in Appendix 2) the council refer to the council's declaration of a climate emergency and how the council have ambitions to switch to more sustainable transport modes. The council recognise that switching to zero carbon buses could help support the reduction of carbon emissions in the county.

Human Rights

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

The consultation will only have indirect policy consequences on bus services.

Procurement

None.

Appendix 2: Durham County Council Response to the County All Party Parliamentary Group on the Decline of Bus Service in Rural Areas

Introduction

Buses provide the only form of public transport in most parts of County Durham, with 23.2 million passenger journeys starting at bus stops in County Durham in 2018/19.

There is an extensive network of bus services throughout the county with approximately 175 services in the main network. Over 4,500 stops are served. Most settlements in County Durham have at least 2 buses per hour during Monday to Saturday daytimes, with much higher frequencies in the main towns and along many of the main interurban corridors.

In the more rural areas services may run every hour or less often but all but the smallest settlements have regular services. However, the settlement pattern of towns in the County and 229 villages leads to some dispersed travel patterns that are not feasible by public transport. 71% of journeys to work in the County in 2011 were by single occupied private car.

The population of County Durham is over 526,000 making it one of the most populated Local Authority areas in the UK. Over 27% of County Durham's 242,000 households do not have access to a car. Buses are vital for many as we have a significant numbers of deprived communities dispersed through a rural County.

Responses to Specific Questions

1. The decline of bus services in rural areas, and the impact that this is having on residents and growth. Points you may want to cover include:

-) Quantitative analysis that demonstrates reduced funding and reduced bus services in your area, including frequency of service and number of routes in operation;**

In May 2011, 77 out of the 97 bus services subsidised by the County were partially cut with 20 supported services remaining untouched. When determining which services would be reduced, the Council took a strategic approach based on public consultation. In response to public consultation and discussions with operators, subsidies for services were withdrawn at off-peak times such as late evening (after 8pm) and at weekends (all Sunday services).

Due to this strategic approach, the County were able to minimise disruption for most of its residents by protecting its core and most commercial 'on-peak' services. Inevitably, at this time, some socially important (although less profitable) services were lost.

In total, the council's budget for net spending on subsidised routes decreased from circa £4.5m in 2010/11 to £2.556m in 2018/19 (net). While retaining over 50% of its 2011 net budget, the Council would add that the Local Authority is entirely dependent on this grant allocation. Due to low land values, the Council, unlike County authorities in the South of England, does not have access to any meaningful contribution via section 106 monies.

In summary, the Council believe that they managed the cuts well, so that services were largely retained in rural areas despite the significant loss of budget. This strategic approach was in the best interests of residents and operators at that particular time, but it did not serve the needs of economic growth in the County, examined in the subsequent questions.

Qualitative evidence that demonstrates the impact that this has had on social mobility and access to jobs, skills and training opportunities;

Across County Durham, and particularly over the last 10 years, the Council has sought to firmly seize employment opportunities whenever these have been available, and this approach has led to some considerable success. The Council's approach to inward investment has also led to some notable examples of success. Hitachi planned to create 730 jobs in Newton Aycliffe, but within three years are already employing over 1,200 staff. ResQ moved to Seaham in 2016 with plans to employ approximately 1,200 people within three years and they are making excellent progress in achieving this. Across County Durham, there are excellent development sites that offer opportunities for economic growth, including sites adjacent to the A1 and A19, Newton Aycliffe Industrial Park, Forrest Park Netpark, Jade Park and INTEGRA61 which is currently coming to fruition.

While these offices may be located within our main towns, the jobs created are often taken by residents living on our more rural settlements who need to commute to these employment locations. In terms of bus accessibility, the location of these new employment sites tends to be edge of centre and rarely complements traditional bus corridors in the County, but rather, allow for easy access by the private car.

Making access easy by car, is appropriate in the County, as Census data from 2011 shows that 71% of all journeys to work in County Durham are undertaken by single occupancy private car. This compares with 6% of

journeys taken by bus. Many of our residents live in rural areas and are not connected to the places they want to be easily and effectively by public transport, especially at off-peak times.

Due to low development viability in the County, we are unable to secure additional funding from developers for a section 106 contribution from these new employment locations. Planners will make bus operators aware of significant developments but there is little financial incentive to make the bus re-route or increase frequencies to these sites unless the operators see an instant financial return. The habit of commuting by car then becomes habitual for these commuters.

While new employment development has drifted to more edge of centre locations, the same can also be said for new retail and healthcare developments in the last 10 years.

For example, and following national trends, we have seen our retail move from our towns and villages to out of town retail parks. This has been to the detriment of our town's and our village high streets. Likewise, the centralisation of medical facilities maybe be good for centralising medical expertise and resources but does make it difficult for people in rural communities to arrive by public transport.

The Council have also seen the reduction of evening bus services and at the same time, the retraction of the night-time economy. It is difficult to be precise about the impact of reduced bus services, but it is certain that the retraction of the bus services would not have helped the evening economy.

In contrast, we have seen the opening of more town shops and services on a Sunday. This increase in Sunday economic activity has not been matched by an increase in bus services.

The impact that this has on public service delivery.

The biggest impact this has had on service delivery is that it has severely constrained the council's ability to respond to changing development patterns. The council has been able to preserve the core of our bus service as it was in 2011 but have not had the funds or resilience to adapt to changing development patterns since then.

As an authority, we declared a climate emergency in February of 2019¹, and as a result have increasingly pursued options to bring our overall carbon emissions from transport down to net zero, largely through switching to more

¹ <https://www.durham.gov.uk/article/22011/Climate-emergency-consultation>

sustainable transport modes. So far, the county has not been able to pursue low or zero carbon buses as the council has not been able to secure funding, and there is no room left in the existing budget to pursue this. We are therefore reliant on changes to requirements and regulations governing bus operators at a national level to decarbonise our bus fleet.

There have been a number of major new employment developments in County Durham since 2011 – Spectrum, Jade Park, and Forrest Park, for example. All three could have benefitted from improved public transport. Lack of access to public transport effectively forces workers at these locations to drive to work, consolidating driving as a commuting habit, which has knock on impacts on health, traffic, and carbon emissions. We could have been much more ambitious in delivering new routes and sustainable transport had funding not been cut to such an extent.

The limited capacity of our network for expansion also impacts on overall accessibility across the county. Services to and from main town centres are good, but there is little to no provision between smaller settlements.

There is now more demand for services on a Sunday. At the time when the county's bus services were initially rationalised to accommodate the cuts and preserve key services, evening and Sunday services were relatively little used, and so they were cut more extensively than the core daytime service. However, increasingly there are more things to do on Sundays, but there is insufficient resource to increase provision in response.

Overall the network does not have the same power, resilience or frequency that it did before austerity.

2. The innovative practices authorities have put in place that could be scaled up across the country.

Points you may want to cover include:

-) for local authorities, you may want to use this as an opportunity to highlight pilots or innovative schemes that you have adopted that other councils may want to consider;**

The most important bus services for our rural areas are the core or primary bus services that run along the spine of our established rural bus network. Our authority has managed to retain the bulk of our existing subsidised services, despite austerity. These are considered conventional bus services and not innovative, but prioritising buses running at peak times was a fundamental measure for the survival of public transport in our rural areas.

Post public consultation, our strategy concluded that any shedding of services should happen at off peak times, late evenings after 8 pm and Sunday services. This was then rolled out across the County.

One innovative service that the council operates is our Link2 service. The service is an accessible dial-a-ride bus service for people who do not have a suitable bus service or are unable to access regular bus services due to mobility issues. Link2 can be used for shopping, work, training, health appointments or anywhere else you want to go. The bus will pick up and set you down at your address if the journey is up to 5 miles. For journeys over 5 miles, Link2 will take you to the nearest transport hub allowing you to continue your journey from there. Fares are the same as conventional bus services and concessionary bus passes can also be used.

While the Link2 service plays an important role in maintaining social cohesion, it is a good example of the cost of innovative transport. Fares revenue does little to cover the costs and it is subject to subsidies of 500k per annum. This service provides transport for a relatively small number of passengers, uses up £500k (20%) of the County's total annual net² budget of £2.5m.

In terms of Total transport, within our authority, we always seek opportunities to work in more a more innovative and integrated way, with regard to how we join up education, medical and social care services. The County Council has worked closely with the health and volunteer sectors to develop the Help to Health service which is a countywide volunteer car scheme funded by the two local CCGs giving vulnerable people access health appointments for a small charge.

However, joining up services in this manner is often a much easier model to work in theory than in reality. Our own experiences of the Total Transport pilot have shown how limited opportunities there are to combine services in order to make them cost effective.

That is why the core and primary bus services is still often the best way to serve our rural communities.

Best practice across the wider UK or internationally.

Any solution has to be locally specific and be a good fit with the existing local service and be appropriate to the demography of the area. As an authority, we support innovative new services in the UK and elsewhere but are mindful that

² The gross budget for subsidised services is over £4m but off-set by fares revenue

some new innovative services are occurring in locations where there are no longer conventional bus services.

One idea we are currently investigating is how to improve our offer and reduce costs of our demand responsive services by making more use of volunteer drivers.

3. The additional powers or levers that would make the biggest difference to provision of bus services in county/rural areas.

Points you may want to cover include:

-) how extending devolved bus franchising powers, including bus service operators grant, to areas other than metro-mayor areas would help to introduce new routes;**

For County Durham, the single intervention that would make the greatest difference to our provision of bus services would be increased funding, guaranteed into the long term. This would enable us to make our network more resilient and responsive to change, as we would have the resources necessary to make changes to routes or to create entirely new routes if required, for a meaningful period of time.

We feel we have successfully preserved a good core service following the cuts from 2011 onwards, but we do not have the resources to deliver new services to major new developments or to respond to changes in other service delivery. Essentially the network remains more or less as it has been for the past ten years. Increased funding would allow us to expand and alter the network where necessary and to deliver a better service to the county.

It should be noted that for any funding increase to make a real difference it has to be sustained into the longer term. The council have had opportunities to expand the network in the past with short-term funding opportunities, but have chosen not to do so as it was felt that there would be little point in adding a service only to have to cut it again months later once the funding had run out. Similarly, the council would be interested in having the means and power to reduce fares, but not if this could only be maintained in the short term.

With this in mind, the council is not supportive of increased franchising powers if delivered as a standalone intervention. This would not solve the existing issues of lack of funding, unaffordability of bus fares or falling patronage, but would give the council sole responsibility for any issues with the bus network. Without greater funding, the council would not have the means to solve issues of reliability or lack of services at evenings, or on Sundays and bank holidays. Being in control of the network would give the council the power to organise

the network but would not make buses more affordable or compel people to use buses more to help finance any changes made. Franchising should not be required to be undertaken where authorities lack the resources to deliver its potential benefits.

Areas that the Government's National Bus Strategy should cover as a priority;

The Affordability of Fares

Significantly cheaper fares would increase accessibility of buses to County Durham residents and deliver greater value for money to bus users. Since 2009, bus fares have risen almost three times faster than wages³ and the costs of bus fares have risen relatively higher than motoring costs and even rail fares. The affordability of fares is the key issue for buses outside London, where fares are subsidised. In County Durham, where we have 27% of households without cars, a limited amount of rail services and areas of multiple deprivation, the importance of affordable bus fares cannot be stressed enough. Access to employment and training relies on affordable public transport and bus fares in this area are not affordable.

Furthermore, the fare structure and means of payment is much simpler in London than elsewhere in the country. It would benefit the wider bus network to increase subsidisation of fares and to amend the pricing structure to improve accessibility in line with what has already been done and proved successful in the capital. Resource here would have to come from central government and should be the number one issue in the national bus strategy.

Transition to Zero Carbon

The transition to a zero-carbon economy must be managed carefully to avoid negatively impacting on bus service delivery in rural areas. Delivery of lower carbon buses should not increase fares as from a passenger point of view there are no immediate benefits from low carbon buses that could justify an increase in cost. A capital funding scheme for zero carbon buses could be beneficial. Overall the messaging around delivery of zero carbon buses needs to be done well to ensure buy-in from bus operators and passengers.

Impact on Town Centres

Lack of reliable bus services has been shown to reduce footfall in town centres.⁴ This exacerbates the decline of high streets as they struggle to

³ *The Future of the Bus*, Campaign for Better Transport, 2019

⁴ *The Future of the Bus*, Campaign for Better Transport, 2019

compete with online retail. Furthermore, people in rural areas in particular spend much longer travelling to access basic services such as GPs than their urban counterparts.⁵ The bus strategy should consider what role buses should play in supporting town centres and in ensuring that people are able to access essential services as easily as possible.

Land Use

Any future bus strategy will need to reflect changes to land use. There has been an increase in out-of-town, greenfield development – most notably employment, retail and leisure. These locations are less likely to be accessible by an existing bus route, and so can go un- or underserved without provision of a bus service being required through a section 106 agreement.

Consideration should be given as to how best to serve these areas moving forward, as the current approach is piecemeal and often leads to such developments being much easier to access by car than by other modes.

Co-ordination with Planning Policy

Transport planning must be done in partnership with spatial planning, housing and health. Developments are sometimes not located in the best places for access by sustainable forms of transport, and existing public transport access is not always the greatest priority in assessing applications. The 2011 census clearly showed that rural residents are more dependent on cars to access basic facilities, including employment, education, health, retail and leisure facilities. Better integration of planning and transport policy has the potential to benefit the elderly, socially isolated people, and people who do not drive in particular.

Social Isolation

Access to bus transport provides means and opportunity for people to access services and social events, reducing social isolation. This is particularly important for those in rural areas, older people, and people who do not drive.

The type of bus infrastructure that could be supported as part of wider efforts to respond to the climate emergency.

Consideration needs to be given as to the best option for decarbonising bus transport. Hydrogen could potentially prove a better option but arguably using renewable-generated electricity to create hydrogen to burn is not as efficient as using the electricity more directly to power an electric bus would be. Clarity on the best way forward for the bus industry on this issue from central

⁵ 2011 Census

government would help bus companies and local authorities to better plan for the required vehicles and infrastructure to facilitate the transition to low carbon vehicles.