



Environment Scrutiny Committee	
Report Title:	Bus Services Update
Meeting Date:	22 November 2022
Chair:	Cllr Vernon Smith
Presenting Officer:	Tom Main
Purpose of Report:	Members have requested an urgent update on the various ongoing issues with bus services in the county
Planned Dates	N/A
Background documents:	N/A
Appendices	N/A
Recommendations	To note the report.

1. Background

- 1.1. Bus services in Gloucestershire are delivered via a mixture of commercial and subsidised services. The majority of trips made within the county are on commercial services (i.e. they receive no direct contractual funding from GCC), however approximately £5m per annum is spent on subsidising bus services. In addition to this approximately £6m is spent per annum reimbursing bus service providers for the acceptance of the concessionary travel pass.
- 1.2. The proportion of the bus service network that the council is funding is growing and the cost of providing each service is also increasing. This is due to the impact of inflation on the cost of delivering bus services, with driver salaries and the cost of fuel being the biggest inflationary pressure. In addition to this, the continued impact of the Covid 19 pandemic on the number of passengers means fewer bus services are commercially viable.
- 1.3. At the height of the pandemic in 2020, when Government advice was to avoid public transport to help slow the spread of Covid 19, some services were carrying only 5% of their total pre-pandemic passengers. This has naturally increased as the country opened up, the threat of the virus receded, and people regained their confidence in using public transport. However, there has not been a return to pre-pandemic passenger levels and there remains a debate as to whether bus travel habits will ultimately return to pre-covid levels or patterns, in fact as of November 2022 the average number of travelling passengers is still only between 70-80% when compared to 2019. This is a very similar position to most comparable councils in the UK.
- 1.4. The gap between 2019 and 2022 in terms of concessionary bus pass holders is even greater. We believe that total use is between 30-40% lower in 2022. A number of reasons can be cited for this, however the overall usage figure is growing, albeit slowly, and in recent weeks there has been a significant surge in the number of people applying for their bus pass, so we expect to see a continued recovery in this area.
- 1.5. This large drop in passenger numbers presents a significant funding gap for bus service providers. Since March 2022 there has been revenue support from the Department for Transport. Initially this support was due to end in April 2022, then in October 2022, but due to the ongoing revenue gap this scheme has been extended until April 2023. However, whilst this support is vital to bridge the gap in revenue as bus use increases, it does not tackle the impact of inflation on the cost of delivering bus services which is another major factor in the viability of bus services.

2. Stagecoach

- 2.1. For over a year there has been a significant national shortage of bus drivers that is impacting the ability of transport providers to deliver bus services. We are seeing the results of this in both the public transport and home-to-school transport markets. There are several reasons for this, including the fact that a large number of drivers have been recruited into the HGV industry. The result is that since the reopening of the country from restrictions related to Covid 19, the bus industry has struggled to recruit the necessary number of drivers to deliver services. This has been the major cause of the well documented

difficulty Stagecoach has experienced in delivering their bus services. Our estimates are that on average 25% of trips are not being operated to their scheduled time, with particularly severe issues being reported in the Cheltenham and Stroud areas.

- 2.2. In response to this issue Stagecoach registered the withdrawal of a number of services in the Forest of Dean, Cheltenham and Cirencester. Their aim is to reduce the resource they use in these areas and focus it on their more profitable routes. These service changes are due to take effect from 20 November (Forest of Dean), 27 November and 19 February (Cheltenham and Cirencester). The majority of these service cuts were in rural areas causing maximum isolation for those people affected. Stagecoach had originally sought for GCC to support these changes and agree shortened notice periods.
- 2.3. GCC has at no point supported these changes. Our belief is that they will have a negative impact on the communities where a service will be lost and that this will be even more impactful as a majority are in rural areas who tend not to have access to extensive alternative transport options. It is also apparent that any procurement of replacement services will be extremely difficult due to a lack of capacity within the bus transport industry, and due to the high price of any bids that do come in. GCC has made it very clear to Stagecoach that we cannot support these withdrawals. In addition to this, we have also raised this issue with the Office of the Traffic Commissioner who are the regulatory body for transport services in England. GCC does not have the power to prevent any changes to the transport network that Stagecoach wish to make, we can only ensure the full notice periods are observed, which we have done.
- 2.4. To try and lessen the impact of these Stagecoach changes on the public, Officers from the Integrated Transport Unit have undertaken an extensive procurement exercise. As outlined above, this is not an easy task due to a severe lack of capacity within the transport industry to take on new contracts. As a result, only 3 of the 13 contracts we presented to the market received any bids. These 3 contracts have been awarded and in the interim Officers have worked directly with several more providers to secure an additional 4 services. Details of these replacement services can be found on the [GCC website](#).

3. Demand Responsive and Community Transport

- 3.1. In October 2022, GCC and its partners (Lincolnshire County Council, Pulhams Coaches and Lydney dial-a-ride) launched two pilot transport services called 'The Robin'. These services are possible after Officers were successful in a bid for £1.352m of DfT funding to provide innovative transport services in rural settings. The aim of the pilot schemes, one in the south Forest of Dean and one in the north Cotswolds, is to provide an enhanced demand-responsive transport service to these two rural areas. The services do not operate to a fixed timetable and require an advanced booking which is possible via an app or the call centre. They are designed to be as flexible as possible to give passengers far greater options for travel than via traditional 'fixed' services. The initial reaction from passengers has been extremely positive and we are looking to build a significant passenger base in the

coming weeks and months with through a lengthy and targeted marketing plan.

3.2. The Community Transport sector is also a key part of the transport offer in the county. GCC agreed a 10% uplift in the community transport annual grant to support the market in such difficult times. The sector is also increasingly being relied upon by the NHS to provide non-urgent patient transport. This is putting considerable strain on capacity but also presents an opportunity for growth, so discussions are ongoing with our NHS and Social Care colleagues around the best way to support Community Transport.

4. BSIP and Enhanced Partnership

4.1. Despite putting together an ambitious Bus Service Improvement Plan (BSIP) in 2021, GCC was unsuccessful in the first round of DfT funding, along with approximately 70% of councils, many of them rural. Only 30% of councils who bid for funding were successful despite the intention from the DfT at the start of the project to provide funding to every council that took part. Despite this Officers are continuing to develop the BSIP as a working strategy document that will provide a pathway to improvements for Gloucestershire's transport services.

4.2. Feedback for areas of BSIP development has been received by Officers and they are continuing to work closely with the DfT to refine the BSIP and ensure it's well placed for any future funding rounds. An update paper is currently being composed and a full BSIP review will be undertaken in 2023 with a revised BSIP to be published in the Autumn, as per the DfT guidance.

4.3. Alongside the BSIP is the Enhanced Partnership. This is an agreement between the council and the public transport suppliers in the county. It acts as the framework for discussion and decision making that will help us all achieve the goals set out in the BSIP. During the Summer and early Autumn other pressing issues have taken priority, however in the next few months the council aims to finalise the draft Enhanced Partnership agreement and open a consultation with operators and other key stakeholders. The timings for this will need careful consideration given the challenges that operators are facing and in particular the current discussions with Stagecoach. This is the next step before a final agreement is confirmed and signed.