

ENVIRONMENT AND ECONOMY OVERVIEW AND SCRUTINY

Date of Meeting	Tuesday, 8 th October 2024
Report Subject	Update on the Bus Network Grant and Local Bus Services in Flintshire
Cabinet Member	Deputy Leader of the Council and Cabinet Member for Streetscene and Transportation
Report Author	Chief Officer (Streetscene and Transportation)
Type of Report	Operational

EXECUTIVE SUMMARY

A report was taken to Scrutiny in March 2024 updating Members on the Welsh Government Bus Network Grant (BNG) which was introduced in April 2024. The BNG allows local authorities to procure commercially non-viable bus routes following the removal of the Bus Emergency Scheme (BES) and the Bus Transition Fund (BTF). A copy of the previous report has been enclosed for reference.

Six months on, the purpose of this report is to further update Members on revenue pressures associated with the Local Bus discretionary budget for 2025/2026 financial year, whilst also informing of an in-year shortfall in BNG funding along with options to mitigate these pressures.

The report highlights available options to address the £270k shortfall for Local Bus, as well as a further £47k to address the regional shortfall of BNG.

RECOMMENDATIONS

1	For Scrutiny to recognise and support the options within the report.
2	For Scrutiny to be aware that any delays incurred represent budget pressures for Streetscene and the authority in 2025/2026.
3	For Scrutiny to note the requirement to allow 56 days' notice to the Traffic Commission (78 days for services into England) for the change and/or termination of services.

REPORT DETAILS

1.00	EXPLAINING THE BACKGROUND TO BUS SERVICES
1.01	<p>A report was taken to Scrutiny in March 2024 updating Members on the Welsh Government Bus Network Grant (BNG) which was introduced in April 2024.</p> <p>The BNG allows local authorities to procure commercially non-viable bus routes following the removal of the Bus Emergency Scheme (BES) and the Bus Transition Fund (BTF) whilst also supporting increased costs for the running of local bus services. A copy of the previous report has been enclosed for reference (Appendix 1).</p>
1.02	<p>The Bus Network Grant (BNG) was introduced to run alongside the existing discretionary Bus Service Support Grant (BSSG) scheme with funding allocated of £25m for the whole of Wales for financial year 2024-2025. WG will distribute both BSSG (previously £6m for North Wales) and now BNG to the region. The allocation of BNG for North Wales is £5.6m.</p>
1.03	<p>Whilst previously, it had been anticipated that there were likely to be significant changes to the commercial bus network in Wales from April 2024 as a result of inadequate funding, only minor service changes are now required.</p>
1.04	<p>The Region has an allocation of £5.6M for this financial year to procure the commercially non-viable services, however, there is currently a regional shortfall of £187k. Welsh Government has stipulated that there will be no additional BNG available for 2024/2025, and that local authorities need to remain within budget, and as such, Flintshire are required to make savings of £47k this financial year to cover their proportion of the shortfall.</p> <p>Options to reduce this shortfall are as follows:</p>
1.05	<p>Reduce the X4 Mold to Chester Business Park to one bus</p> <p>The X4 is funded by BNG at a contract cost of £349,116 per year. Reducing the service to one bus would save up to 50% of contract costs. Potential for 5 months saving of £72k. This option would also reduce the frequency of the service by 50%. Progression of this option would achieve the required cost saving in isolation.</p> <p>Terminate the X4 Mold to Chester Business Park at Broughton Retail Park</p> <p>Passengers can utilise onward travel arrangements into Chester and boarding figures show minimal loss to residents. Potential savings for this option are unknown and would involve negotiation with Arriva.</p>

	<p>Terminate the f10 Connah’s Quay to Chester Bus Station Sunday service</p> <p>The f10 Sunday Services is funded by BNG at a contract cost of £22,992 per year (potential 5-month saving of £9,580). Progression of this option would not achieve the required cost savings in isolation.</p> <p>Terminate the f11 Rhyl to Chester Bus Station Sunday service</p> <p>The f11 Sunday Services is funded by BNG at a contract cost of £20,582 per year (potential 5-month saving of £8,575). Progression of this option would not achieve the required cost savings in isolation.</p>
1.06	<p><u>Local Bus Revenue Budget</u></p> <p>In March 2024, The Integrated Transport Unit (ITU) reprocured local bus services which saw an increase in costs and a subsequent in year budget pressure of £270k. The effects of the Covid Pandemic and the limited competition within the bus industry has resulted in a sharp rise in contract prices nationally, and as such, Welsh Government (WG) have permitted all local authorities to utilise funding from the BNG this financial year to assist with this immediate pressure. Local authorities need to be mindful, that whilst BNG can be utilised to mitigate local bus contract price increases, utilisation of this funding to mitigate overspends will limit the funding available to support the overall network.</p>
1.07	<p>Whilst the £270k annual pressure has been mitigated for the 2024/2025 financial year (via the use of BNG), it is essential that this reoccurring annual pressure is addressed more sustainably for future years. In order to do this, a review of local bus services has been undertaken for which a proposal to mitigate this overspend for the 2025/2026 financial year and beyond has been presented below.</p>
1.08	<p>Option to Terminate the Service 5 at the DIP</p> <p>The Service 5 – Mold to Ellesmere Port forms part of the Core Bus Network. This service was re-procured in March 2024 and the contract cost has risen to £360,000 per annum (£9k per month increase). The cost is high value for the number of passengers utilising the service. (See data enclosed within Appendix 2 of this report)</p> <p>Although this service forms part of the Core Bus Network, the original plan was for this to terminate at Hooton Train Station for onward travel opportunities into Liverpool, however, this did not happen.</p> <p>The current recharge to Cheshire West & Chester is minimal and initial discussions with CWAC have indicated that an increase in contribution is unlikely to be deemed as costs affective given the limited passenger numbers within Cheshire.</p> <p>It is therefore proposed that the Service 5 is terminated at the Deeside Industrial Park for the reasons outlined below:</p> <ul style="list-style-type: none"> • Passenger numbers indicate a minimal loss of service for Flintshire residents into Cheshire.

	<ul style="list-style-type: none"> • Re charges are minimal and CWAC unlikely to increase contribution due to low passenger numbers. • Potential for a decrease in contract costs following the re-procurement of the reduced service. • Potential to increase service frequency to 30 minutes (75mins currently) as a result of reduced journey length - this would meet the needs of employees working shifts on the DIP. • Additional potential to improve access into the DIP (Zone 1 and 2) to offer better access from the Mold and Buckley areas – this will need to be balanced against any frequency improvements. • Possible access to additional funding from Transport for Wales/Welsh Government as a result of improving employment opportunities. • Encourages use of bus travel and would go towards the Council's aims to reduce the carbon footprint. <p>Whilst it would only be possible to determine accurate savings via a retendering exercise, it is thought that savings would be sufficient to mitigate the annual pressure.</p>
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2.00	RESOURCE IMPLICATIONS
2.01	The review, amendment and implementation of amended services will be undertaken by the Council's in house Integrated Transport Unit (ITU).
2.02	Should recommendations not be taken forward, inadequate budget will exist to run existing committed services resulting in an annual overspend.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	It is not possible to complete the necessary Impact Assessment at this moment in time until approved options are confirmed, however, amendments to services put forward present the lowest impact in terms of passenger numbers effected.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	Deputy Leader of the Council and Cabinet Member for Streetscene and Regional Transport Strategy
4.02	Consultation with passengers affected by any reductions in services.
4.03	Consultation with transport operators following the outcome of the procurement.

5.00	APPENDICES
5.01	Update of Bus Emergency Scheme – Scrutiny Report March 2024.

5.02	Service 5 passenger data.
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6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Katie Wilby, Chief Officer (Streetscene & Transportation) Telephone: 01352 704530 E-mail: katie.wilby@flintshire.gov.uk</p> <p>Contact Officer: Anthony Stanford, Transport Manager Telephone: E-mail: anthony.stanford@flintshire.gov.uk</p> <p>Contact Officer: Helen Telford, Integrated Transport Unit Manager Telephone: 01352 704531 E-mail: helen.telford@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS These are provided corporately on the Infonet (link) and maintained by the Executive Office
	<ol style="list-style-type: none"> (1) Bus Emergency Scheme (BES) – Emergency funding provided by Welsh Government to help sustain commercial bus Operators in order to ensure that vital commercial bus services were retained during the Covid 19 pandemic. (2) Bus Transition Fund (BTF) – Grant provided by Welsh Government to replace Bus Emergency Scheme (BES) which commenced in June 2023 and is scheduled to terminate in March 2024. (3) Bus Network Grant (BNG) – Grant provided by Welsh Government to allow local authorities to procure commercially non-viable bus services which will be introduced in April 2024. (4) Bus Service Support Grant (BSSG) – Grant provided by Welsh Government to deliver transport objectives set out in the Welsh Transport Strategy and the National Transport Finance Plan. (5) Commercial Bus Services - motor vehicle designed for carrying more than nine passengers and used for the transportation of persons for compensation. (6) Transport for Wales (TfW) - the body established by Welsh Government to deliver transport priorities in Wales.

	(7) Integrated Transport Unit (ITU) – The Councils in house transport team.
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