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**Decision Session**  
**- Executive Member for City Strategy**

7<sup>th</sup> December 2010

Report of the Director of City Strategy

**Review of Council Subsidised Local Bus Service Provision**

**Summary**

1. The report considers the current subsidised bus network in York and presents a draft, revised, network of routes for the consideration and approval of the Executive Member. The decision will inform the contents of an open tendering exercise to be undertaken early in the new year prior to the expiry of existing service contracts in September 2011.
2. The review has sought to largely retain a bus service to all parts of York currently receiving provision. It does, however, make recommendations for the withdrawal of some services which, in line with Council policy, no longer warrant financial support.

**Recommendations**

3. The Executive Member for City Strategy is recommended to:
  - i) Support the proposed network of bus routes to be tendered in December 2010 for introduction from September 2011
  - ii) Agree to the withdrawal of services as indicated in this report

Reason: This course of action will meet with the current efficiency agenda of the Council whilst providing the most comprehensive and attractive network of bus routes which will retain an acceptable level of bus provision across the City.

**Background**

4. The City of York and surrounds benefits from a comprehensive network of bus services, a majority of which (80%+) are operated without subsidy from the Council. All of the bus routes in York are operated by private sector companies who are free to decide how they will run any services not requiring financial support. This includes the route, stops, timetables and fares.
5. Some bus routes are subsidised and operated under contract to CYC. For these services the Council sets the route, stops and timetables and monitors the performance of each service.

6. All of the contracts for local bus services operating wholly within the City of York administrative area are due to expire in September 2011. A number of cross-boundary routes which receive funding from two or more local authorities have contracts which continue until September 2013. To enable a successful and smooth tendering process to be undertaken in the run up to next September, a decision needs to be taken now to inform what the composition of the bus network will be.
7. The Transport Planning Unit has been working closely with colleagues from Corporate Procurement and the Council-wide 'More for York' efficiency review. The aim of this work has been to understand how the current network of services might be altered to achieve better value for money without negatively impacting upon the general level of service provided.
8. It is intended that an Invitation to Tender for bus service contracts will be issued as soon as possible following the approval of this report.
9. The last comprehensive review of Council supported local bus services was presented to members in January 2009. Since this time, a number of services have changed operator or route number but the network of routes has remained largely unaltered. Hours of operation have, however, been reduced with a number of evening and early morning services on non-subsidised routes having been withdrawn.
10. Table A below outlines the current services which operate with financial support from the Council. The Council's current policy is that services achieving a minimum limit of 9 passengers per bus hour and/or costing less than a maximum £2 per passenger warrant subsidy. Services falling outside these criteria should be reviewed and are highlighted in bold in table. The routes with especially low patronage levels (and/or high costs per passenger) appear in italics.
11. This report contains five options for the Executive Members consideration (A-E). The services which would continue to operate if one of the first four options is selected (A-D) are outlined in the last four columns of Table A. As option E proposes more significant changes to the tendered bus network, the impact of these changes is displayed at Table B, later in this report.

Table A

Service No	Terminal 1	Terminal 2	Days/Period	Frequency	Forecast subsidy 2010/11	Annual Passengers (2010/11 forecast)	Pax / Bus hr	Projected subsidy per passenger	A	B	C	D
10	Poppleton	Stamford B'dge	Sunday evening	hourly	£6,076	4,893	12	£1.24	✓	✓		
11, 24	City Centre	Bishopthorpe	Weekday evenings	hourly	£21,594	24,374	16	£0.89	✓	✓		✓
11	City Centre	Bishopthorpe	Sundays	hourly	£4,110	7,990	21	£0.51	✓	✓	✓	
12	Haxby	Acomb Park	Weekday evenings	hourly	£38,889	61,462	24	£0.63	✓	✓		✓
12	Haxby	Acomb Park	Sundays	hourly	£17,376	22,994	15	£0.76	✓	✓	✓	
13a	Monks Cross	Copmanthorpe	Sundays	hourly	£7,884	18,864	15	£0.42	✓	✓	✓	
<b>13/13a</b>	<b>Monks Cross</b>	<b>Heworth</b>	<b>Weekdays</b>	<b>Half hourly</b>	<b>£41,255</b>	<b>12,768</b>	<b>3</b>	<b>£1.22</b>	✓		✓	✓
14,14A	City Centre	Clifton	Weekday daytime	hourly off peak +	£26,688	31,393	14	£0.85	✓	✓	✓	✓
<b>18A</b>	<b>City Centre</b>	<b>Holme on SM</b>	<b>Sundays</b>	<b>two hourly</b>	<b>£1,973</b>	<b>706</b>	<b>2</b>	<b>£2.80</b>	✓		✓	
20/20A	Monks Cross	Askham Bar	Mon-Sat	hourly	£97,658	99,723	15	£1.06	✓	✓	✓	✓
20	Monks Cross	Clifton Moor	Sunday/ BHM	hourly	£13,188	7,540	13	£1.75	✓	✓	✓	
21	City Centre	Colton	Mon – Sat	two h'rly off peak	£41,094	29,530	14	£1.39	✓	✓	✓	✓
22	City Centre	Skelton	Mon-Sat daytime	hourly	£34,232	65,657	16	£0.52	✓	✓	✓	✓
<b>22</b>	<b>City Centre</b>	<b>Skelton</b>	<b>Fri – Sat</b>	<b>2 eve jnys</b>	<b>£2,575</b>	<b>774</b>	<b>7</b>	<b>£3.33</b>	✓			✓
<b>22</b>	<b>City Centre</b>	<b>Skelton</b>	<b>Sundays</b>	<b>hourly</b>	<b>£12,230</b>	<b>5,804</b>	<b>9</b>	<b>£2.11</b>	✓		✓	
24	Acomb	Fulford	Weekday daytime	hourly	£100,728	99,344	14	£1.01	✓	✓	✓	✓
26	Askham Bar	Fulford	Weekday daytime	hourly	£100,727	155,928	24	£0.65	✓	✓	✓	✓
35	City Centre	Holme on SM	Weekday daytime	Two hourly	£13,602	48,234	28	£0.28	✓	✓	✓	✓
<b>35</b>	<b>City Centre</b>	<b>Holme on SM</b>	<b>Fri/Sat</b>	<b>2 eve jnys</b>	<b>£2,980</b>	<b>1,700</b>	<b>8</b>	<b>£1.75</b>	✓			✓
36	City Centre	Elvington	Weekday daytime	Two hourly	£31,096	16,253	9	£1.91	✓		✓	✓
627/637	Heworth	Fulford School	Mon-Fri sch'l days	occasional	£4,643	17,836	53	£0.26	✓	✓	✓	✓
42	City Centre	Selby	Daily daytime	hourly	£7,938	36,454	18	£0.21	✓	✓	✓	✓
<b>55</b>	<b>Monks Cross</b>	<b>University</b>	<b>Mon-Fri daytime</b>	<b>Hourly</b>	<b>£55,560</b>	<b>45,031</b>	<b>8</b>	<b>£1.23</b>	✓		✓	✓
142/143	City Centre	Ripon	Weekday daytime	hourly	£10,187	6,273	11	£1.62	✓	✓	✓	✓
<b>195</b>	<b>City Centre</b>	<b>Pocklington</b>	<b>Sat</b>	<b>2 jnys</b>	<b>£264</b>	<b>128</b>	<b>1</b>	<b>£2.06</b>	✓		✓	✓
412,413	City Centre	Wetherby	Weekday daytime	hourly	£33,101	25,655	14	£1.29	✓	✓	✓	✓
415	City Centre	Selby	Bank Holidays	half hourly	£264	no data	Na	Na	✓	✓	✓	✓
<b>746</b>	<b>City Centre</b>	<b>Pocklington</b>	<b>Weekday a.m.</b>	<b>one journey</b>	<b>£4,863</b>	<b>1,151</b>	<b>7</b>	<b>£4.23</b>	✓		✓	✓
Connex's			Transfers		£2,500		Na	Na	Na			
<b>Total</b>					<b>£735,275</b>							



## Consultation

12. A report was presented to the Executive Member on 7<sup>th</sup> September following the submission of a petition to the Council requesting, amongst other things, a review of tendered bus services in the York Outer constituency. Consultation of councillors representing the wards falling within the York Outer constituency was undertaken to understand what members would want to see from such a review. The majority view was that such a review should consider all tendered bus services within the York area, not only those operating in the York Outer constituency.
13. As outlined at paragraph 7, Transport Planning Unit officers have worked closely with the 'More for York' project team to understand how services currently tendered by the Council may be provided at a lower cost than at present. Whilst there is no guarantee of the prices which will be returned by third party suppliers as a result of the re-tendering exercise, officers are confident that when set against the existing network, there is likely to be some level of reduction in Council expenditure, whilst maintaining a comprehensive network of services.
14. Discussion with a number of bus operators is currently ongoing to understand whether there is any interest in operating specific routes without subsidy from the Council which may be closer to commercial sustainability than others. This approach has resulted in the Council not having to bear the cost of several bus services in the past which may otherwise have been discontinued or operated at the expense of the taxpayer.
15. The recent Government comprehensive spending review has raised concerns that currently profitable bus services may not be without direct subsidy from the Council from 2012.<sup>1</sup>
16. Some of the bus routes operating in York have already been deemed not to be commercial and have been de-registered. The Council has worked with local residents, ward members and bus companies to retain bus services where possible. Most recently (and considered as part of this review), a section of route 13/13a was de-registered by First Group. The Council now provides subsidy to ensure that a bus link between Heworth and Monks Cross is retained.
17. The leaders and portfolio holders of all political parties represented on the Council have been canvassed concerning the following options. Responses are currently awaited.

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<sup>1</sup> **Bus Service Operators Grant (BSOG):** Government provides a fuel duty rebate on approximately 80% of the fuel used by buses. Bus operators pay fuel duty tax on the remaining 20% of their fuel, while train operators using diesel pay only a small amount of duty and airlines pay none. The recent Comprehensive Spending Review suggests that cuts in BSOG are to be implemented in 2012/13.

## Options

18. The following options are presented for the Executive Member's consideration:
  - a. Tender the existing bus network, retaining all current bus routes
  - b. Tender the existing bus network, discontinuing those routes which do not meet Council criteria for subsidy (in bold at Table A)
  - c. Withdraw Council subsidy for all evening bus services
  - d. Withdraw Council subsidy for all Sunday bus services
  - e. Tender the network of services outlined at Table B, withdrawing the worst performing elements of the bus network.

## Analysis

19. The first four options presented offer either retention of the subsidised bus network or variations thereof with segments of service withdrawn. Option E presents the opportunity for a re-casting of the Council supported bus network which will retain almost all of the current bus travel opportunities (and some new links) with a more efficient utilisation of resources.
20. All of the estimated costs presented for the consideration of members are based on existing tender prices. The following analysis is presented without estimations being made as to which commercially operated bus services might be withdrawn. Clearly any changes to the commercial bus market would impact on the Council's tendered network and it is difficult to forecast what subsidy would be required by operators to retain former commercially operated routes.
21. **Option A** – Retention of the existing subsidised bus network would be at an estimated cost for 2011/12 of £770,000 (includes estimated inflationary cost increases on existing tender prices).
22. **Option B** – Retention of the existing subsidised bus network, but discontinuing those routes which no longer meet Council criteria for subsidy (as highlighted in bold at Table A) would be at an estimated cost for 2011/12 of £667,000 (includes estimated inflationary cost increases on existing tender prices).
23. With regard to the services which would be withdrawn if option B were to be selected, specific consideration would need to be given to the decisions taken by this meeting on 5<sup>th</sup> October which committed the Council to provide a bus link between Heworth and Monks Cross. The withdrawal of both poorly performing routes **13/13a** and **55** would leave the areas of Heworth (distant from the Malton Road) with no connection to Monks Cross or the University.
24. Members should also be mindful that a decision to withdraw the **evening** route **22** service (linking York to Rawcliffe and Skelton on a Friday and Saturday evening) could further compound evening service reductions proposed by North Yorkshire County Council (NYCC) and would leave these areas with no

bus later than 8pm. NYCC are likely to have taken a decision on the withdrawal of their supported services by mid December.

25. Route **22** on a **Sunday** falls outside the Council's approved criteria for support, but not significantly.
26. **Option C** – The Council may take the decision to withdraw funding from evening bus services on the basis that the vast majority of trips made at this time can not be described as strictly 'socially necessary'.
27. A number of other local authorities are currently considering the withdrawal of evening bus service subsidy (including North Yorkshire County Council)
28. The evening journeys on route 35 are jointly funded with North Yorkshire County Council (NYCC) and East Riding of Yorkshire Council (ERYC) and are contracted to continue to September 2013. Neither authority has advised that they intend to withdraw funding from these services at this time but a **minimum six months notice** is required should discontinuation of these services be deemed appropriate.
29. The discontinuation of the above services would result in a reduction to the overall tendered bus budget of £72,000 for a full financial year (c.10% of the total).
30. **Option D** –The Council may take the decision to withdraw financial support from all Sunday services in the interests of protecting the core network of weekday services.
31. Routes 18a and 42 are jointly funded with ERYC in the case of the former and NYCC in the case of the latter. NYCC are currently consulting on the possible withdrawal of route 42 on a Sunday with the outcome due at the end of December 2010.
32. The discontinuation of the above services would result in a reduction to the overall tendered bus budget of £63,000 for a full financial year (c.8% of the total budget).
33. **Option E** – The current subsidised bus network largely results from routes which previously operated on a commercial basis but which, without Council subsidy, would have been withdrawn. This proposal has been arrived at following a thorough review of the current network to consider what efficiencies might be made by combining routes.
34. Through the introduction of a revised tendered network, the Council would achieve the following:
  - a. A comprehensive network of services for York, efficiently maximising the number of residents and geographical areas served by local buses.

- b. Realisation of potential efficiencies through the tender process, by merging and revising routes, and through the discontinuation of the small number of very poorly performing services.
  - c. Retention of CYC procured evening and Sunday links.
  - d. Creation of new journeys negating the need to change bus (eg Heworth to the Designer Outlet or Haxby).
35. Full details of the services proposed for tender are included as Annex A to this report. Maps of the proposed network of routes are included on three separate maps as Annex B, C and D to this report.
36. In summary, the Council's portfolio of tendered bus services would comprise the contents of Table B below. Tenders will be sought for tenders indicated in the final column of the table. Where new routes have been created, the routes they replace are indicated in the table. Those routes/services which are to be completely disconnected are clearly identified.
37. This option recommends a course of action which would result in the tendering of all of the services outlined at Table B. The Council will continue to work, however, to encourage bus operators to consider the commercial opportunities available which could negate the need for the provision of routes dependent on Council subsidy.



Table B

Service No	Terminal 1	Terminal 2	Days/Period	Frequency	Forecast full year subsidy	Annual Passengers (2010/11 forecast)	Pax / Bus hr	Projected subsidy per passenger	Replacing routes	Part of 2011 tender?
10	Poppleton	Stamford B'dge	Sunday evening	Hourly	£6,076	4,893	12	£1.24		✓
11	City Centre	Bishopthorpe	Week evenings	Hourly	Est. £6,840	24,374	16	£0.89		✓
112	Bishopthorpe	Monks Cross	Sundays	Two hourly	Est. £9,265				11/22/20	✓
12	Haxby	Acomb Park	Week evenings	Hourly	£42,000	61,462	24	£0.63		✓
12	Haxby	Acomb Park	Sundays	Hourly	£18,766	22,994	15	£0.76		✓
113	Monks Cross	Copmanthorpe	Sundays	Two hourly	Est. £9,265				13A	✓
T13	Monks Cross	Heworth	Weekdays	Half hourly	Est. £39,442				13/13A	✓
19A/C	Skelton	City Centre	Weekday daytime	Hourly	Est. £73,710				14/22	✓
<b>18A</b>	<b>City Centre</b>	<b>Holme on SM</b>	<b>Sundays</b>	<b>Two hourly</b>	<b>£1,973</b>	<b>706</b>	<b>2</b>	<b>£2.80</b>		
20/20A	Monks Cross	Askham Bar	Mon-Sat	Hourly	£126,351	99,723	15	£1.06	55 (part)	✓
21	City Centre	Colton	Mon – Sat	Two hourly	£36,859	29,530	14	£1.39		
24	Acomb	Fulford	Weekday daytime	Hourly	£81,971	99,344	14	£1.01		✓
26	Askham Bar	Fulford	Weekday daytime	Hourly	£81,971	155,928	24	£0.65		✓
35	City Centre	Holme on SM	Weekday daytime	Two hourly	£13,602	48,234	28	£0.28		
35	City Centre	Holme on SM	Fri/Sat	2 eve jnys	£2,980	1,700	8	£1.75		
36	City Centre	Elvington	Weekday daytime	Two hourly	£41,535					✓
<b>55</b>	<b>Monks Cross</b>	<b>University</b>	<b>Mon – Fri daytime</b>	<b>Hourly</b>	<b>£55,560</b>	<b>45,031</b>	<b>8</b>	<b>£1.23</b>		
627/637	Heworth	Fulford School	Mon-Fri sch'l days	4 school jnys	£4,643	17,836	53	£0.26		✓
42	City Centre	Selby	Daily daytime	Hourly	£8,532	36,454	18	£0.23		
142/143	City Centre	Ripon	Weekday daytime	Hourly	£11,002	6,273	11	£1.75		
<b>195</b>	<b>City Centre</b>	<b>Pocklington</b>	<b>Sat</b>	<b>2 jnys</b>	<b>£264</b>	<b>128</b>	<b>4</b>	<b>£2.06</b>		
412,413	City Centre	Wetherby	Weekday daytime	Hourly	£35,749	25,655	14	£1.39		
415	City Centre	Selby	Bank Holidays	Half hourly	£264	no data	Na	Na		
<b>746</b>	<b>City Centre</b>	<b>Pocklington</b>	<b>Weekday a.m.</b>	<b>One journey</b>	<b>£4,863</b>	<b>1,151</b>	<b>7</b>	<b>£4.23</b>		
<b>Connex's</b>			<b>Transfers</b>		<b>£2,500</b>		<b>Na</b>	<b>Na</b>		
<b>Total</b>					<b>Est. £650,823</b>					

38. All of the services outlined in Table B above are to be operated utilising standard buses with the exception of route T13. This service will be tendered for a 'Taxibus' to operate on a half hourly frequency during the day utilising a wheelchair accessible vehicle with a minimum of 8 seats and interconnecting with First Group's commercially operated route 13 on the Elmfield – Dodsworth Avenue sections common to both routes.
39. With the exception of the small number of services to be discontinued (as per Table B), all of the areas currently benefiting from a bus service will continue to do so. The reduction in expenditure resulting from the network review outlined above and corresponding withdrawal of the current supported network is estimated to be in the region of £85,000 per annum (c.9% of the current supported bus budget). This saving would be subject to the outcome of any open tendering exercise.

#### **Option E – Services to be withdrawn**

40. None of the services identified in Table B for withdrawal currently meet with criteria for one of the two measures used to warrant Council subsidy (not fewer than 9 passengers per bus-hour and/or costing more than a maximum £2 per passenger).
41. Should the Council wish to proceed with this reduction in service, the earliest possible date for implementation would be six months from the outcome of this meeting, being the minimum notice period required under the standard terms of CYC local bus contracts.
42. Routes **195** and **18a** are jointly funded by City of York and East Riding of Yorkshire (ERYC) councils and were procured by ERYC. Any decision to withdraw CYC funding from the services should be given with a minimum of 56 days notice to allow ERYC to consider whether or not they would wish to continue to fund the services themselves. Both services are very poorly used with an average of only 1 or 2 passengers per bus hour.
43. The **0637** journey on route **746** is funded solely by CYC and is also poorly used. This service has been supported by the Council for a number of years. At a level of £4.23 per passenger, it no longer meets with Council criteria for subsidy.
44. Route **55** was re-tendered in 2009. The subsidy level reduced moderately but the route still has low levels of ridership. Many of the destinations currently served by route 55 duplicate sections of route provided by commercial operators. The main section of route not duplicated by an existing service is between Monks Cross Shopping Centre, Heworth and the University of York. This section of route will be catered for by the revised route **20** on an hourly basis (as at present).
45. '**Connexions**' was, until recently, a ticketing mechanism to allow passengers from route 21 to make onward journeys on the Park & Ride from Askham Bar

into York. All of the trips on route 21 now terminate in the City Centre so this service can be withdrawn.

46. The total savings from the withdrawal of services outlined in Table C are estimated to be c.£35,000.

## Corporate Objectives

47. Support for bus services in York contributes to the following Corporate priorities:
- **Sustainable City** - There is considerable scope for reducing vehicle congestion delay on the overall network through greater bus use, thereby reducing the associated adverse affects, such as air pollution.
  - **Inclusive City** – The retention of sustainable bus routes across York increases access to opportunities and facilities by a wider (and potentially cheaper) range of travel choices.
48. Local Transport Plan 2006-2011 (LTP2): Support for the services outlined above would contribute to several of the aims of the second Local Transport Plan, namely:
- To tackle congestion
  - To improve economic performance in a sustainable manner;
  - To enhance opportunities for all community members, including disadvantaged groups, to play an active part in society;
  - To reduce the impact of traffic and travel on the environment, including air quality, noise and the use of non-renewable resources.

## Implications

- **Financial**

Option A would cost an estimated £770,000 in a full year.

Option B would cost an estimated £667,000 in a full year.

Option C would cost an estimated £663,200 in a full year.

Option D would cost an estimated £672,200 in a full year.

Option E would cost an estimated £651,000 in a full year.

- **Human Resources (HR)** -There are no HR implications
- **Equalities** - An Equalities Impact Assessment to support the Council's support of local bus services is currently being revised.
- **Legal** - There are no Legal implications

- **Crime and Disorder** -The withdrawal of evening bus services where no public transport exists may require people to make journeys by foot in the dark which they wouldn't otherwise make, possibly increasing the risk to vulnerable members to the community.
- **Information Technology (IT)** - There are no IT implications
- **Property** - There are no Property implications
- **Other**- There are no other implications

## Risk Management

49. The tender exercise will be conducted in line with OJEU guidelines under the close supervision of the Council's Procurement team. Award of tenders is subject to the necessary funding being made available through the Council's budget process in February 2011.
50. Measured in terms of impact and likelihood, the risk score for all risks has been assessed at less than 16. This means that at this point the risks need only to be monitored as they do not provide a real threat to the achievement of the objectives of this report.

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Report Approved

Date 15/11/10

Wards Affected:

All

For further information please contact the author of the report

## Annexes

**Annex A:** Network of services to be tendered (as per options A & B)

**Annex B:** Map showing proposed bus routes 11, 19 & 20

**Annex C:** Map showing proposed bus routes 12, 112, 627 & 637

**Annex D:** Map showing proposed bus routes 36, 36x & 113

**Annex E:** Map showing proposed route of Taxibus service T13