

Press Release

FOR IMMEDIATE USE

5th February 2019



CASH-STRAPPED COUNCILS CONTINUE TO CUT BUS SUPPORT BUT COMMUNITY TRANSPORT CAN NO LONGER BE A PANACEA

ATCO's Local Authority Passenger Transport Survey for 2017/18¹ shows that support for local bus services from councils in mainland Britain outside London has fallen by almost a third since 2010/11 (*an average of just £4.61 per head in 2017/2018 against a peak of £6.74 in 2010/2011*). Despite bus operators reducing the prices councils pay for contracts to run socially necessary bus services for the 10th year running (*an average of 2.64% less in 2017/2018 than in the previous year*), the money available from local authority transport budgets fell, with more than a quarter (27%) of authorities cutting support for bus services in 2017/18. The report estimates that 2018/19 budgets need to increase by 2.3% simply to maintain levels of public transport already considered inadequate by the communities in many areas, both rural and urban.

ATCO's report shows that one reason for the continuing decline in local bus use reported in the Department of Transport's Quarterly Bus Statistics is that increasingly it is only in larger urban areas and along inter-urban routes where most services operate commercially² with little or no local authority support that current levels of bus services are sufficient to allow reasonable levels of mobility. In many rural areas and residential suburbs not lying on the core commercial networks local bus services are an endangered species.

John Carr, Chair of ATCO's Performance Group, said "The results from our latest annual survey of prices, expenditure, competition and performance in local authority passenger transport services highlight the almost impossible struggle that Councils face to keep passenger transport services for those that most need them".

¹ Association of Transport Co-ordinating Officers "ATCO Local Authority Public Transport Survey 2018" published 5th February 2019.

² Commercial services are provided by operators at their own risk and are not planned or financially supported by local authorities.

Despite councils having a statutory duty to provide free passes to pensioners and disabled people to use on local bus services, the number of bus services on which pass holders can use them continues to fall significantly each year. Much as Councils want to see well used bus services to reduce congestion and pollution, supporting bus services financially is not a statutory duty and Councils are increasingly unable to afford to do so.

Mr Carr commented, “Unfortunately as operators face increasing costs previously commercial services are also being withdrawn. Government restraints mean that Councils can no longer afford contracts to add such services in addition to their existing commitments. If they decide that a recently commercial route needs to be replaced even in truncated form they will have to reduce support to other routes. Many Councils have considered the option of withdrawing all support for bus services and several have actually done so”.

The best performing bus services are usually in areas where the authorities work closely with operators to minimise the impact of congestion, reduce pollution and ensure that bus services support local economic, social and environmental policies. However, operators too experience cost pressures, with the Confederation of Passenger Transport’s CPT Cost Index at June 2018 showing a national average increase of 3.1% for example³. This has led to the rate of withdrawal of commercial bus services increasing. Some operators are terminating their subsidised service contracts early as well. The net cost of replacing local bus, school and SEN transport contracts in 2017/18 increased by 18%. Less than two thirds of the commercial bus services withdrawn were replaced, although many local authorities manage to replace most transport contracts terminated early because they were no longer considered viable by the previous operators.

For over 20 years, Government Ministers (of all major parties) have argued that where the use of buses was considered insufficient to support conventional bus services, Community Transport Operators may offer an affordable alternative. Many such services have been developed using the special provisions of Section 19 and Section 22 Permits designed to allow Community Transport Operators to provide local services for hire and reward without having to bear all of the costs associated with running networks of conventional bus routes. Community Transport operators are often

³ CPT Cost Index http://www.cpt-uk.org//_uploads/attachment/4615.pdf (published 18-09-2018)

charities and many have been assisted by grants from either central or local government or both. The rules governing operations using these permits were abruptly revised in 2017 so that both Community Transport Operators and Councils have been faced with having to review their use. This could precipitate an even faster reduction in the availability of any form of passenger transport services in areas of most need, particularly for rural Councils. ATCO's 2018 survey shows that in 2017/18 expenditure by Councils on non-conventional public transport services (largely Community Transport) fell by over 10%. John Carr said "I cannot imagine what elderly or disabled persons think when it is explained that, because of a seemingly arcane change to the interpretation of regulations, the little Community Bus or shared car that replaced the conventional buses some time ago is no longer available. They already suffer financially as most non-conventional services have to recover at least part of their costs from passengers and bus passes are not accepted. Withdrawal of Community Transport will hit them even harder."

Roger Banks who compiles the survey said "ATCO is very grateful to the officers in the authorities that contributed to the Survey. Continuing pressure on local authority expenditure gives ATCO surveys a vital role not only in tracking how money is spent but also in enabling authorities to benchmark themselves against their peers. They are a valuable resource for central government departments and, researchers".

ENDS

Headline results from the survey are attached.

Contact details

For further information please contact:

Robin Riley, Secretary, ATCO Performance Executive

Telephone: 01159 774 520

Email: robin.riley@nottsc.gov.uk

Notes for editors:

1. The ATCO Local Authority Passenger Transport Survey is the only comprehensive overview of statistics and trends in local authority passenger transport.
2. Copies of the Local Authority Passenger Transport Survey 2018 Report may be obtained subject to the ATCO Policy for Survey Requests available at: http://docs.wixstatic.com/ugd/b7004d_68417a6eb00f46b188cada40d6b374ab.pdf
3. Any queries on this release should be made in the first instance to John Carr at john@carruk.net or on 07941 039 222.

Headline results from the 2017/18 survey:

- Despite continuing contract price reductions on local bus services for the 10th consecutive year (an average of 2.6% less in the 12 months to 31 March 2018 than in the previous year), local authorities continue to face challenges in meeting budget constraints, with 27% having had to cut supported bus services in 2018/19; they estimate on average a need for 2.9% increase in budget in 2019/20 in order to maintain the existing levels of local bus services.
- Despite replacement mainstream school and SEN transport contract prices falling for the 12th consecutive year (averaging 0.5% less and 4.7% less respectively in the 12 months to 31 March 2018 than in the previous year), local authorities estimate on average a need to increase their budgets by 3.2% (school transport) and 2.6% (SEN transport) in 2019/20 in order to retain existing service levels.
- On average, the rate of local bus service de-registrations since 1 October 2017 has increased marginally. It is estimated that the net cost of providing replacement local bus, school and SEN transport services in the 12 months to 31 March 2018 increased by 16% from £6.5m in the previous year to £7.6m. Whilst local authorities are picking up over 90% of all the early terminated transport contracts, only 60% of all the de-registered commercial bus services are being replaced. This is very similar to the situation last year.
- This year, competition for local bus service contracts has increased, with an average of 3.2 bids per contract, 9.7% of contracts had only one bid, and 0.9% had no bids. So there was competition for over 89% of contracts.
- Competition for school transport contracts has also increased, with an average of 5.1 bids per contract and competition for 93% of contracts, with 1% of contracts having no bids.
- Competition for SEN transport contracts, however, has reduced, although it remains fairly strong, with an average of 5.8 bids per contract and competition for 85% of contracts, with 3.5% of contracts having no bids.
- The total annual local authority expenditure in Great Britain (excluding London) on the provision of local bus services is currently estimated to be £250m.
- The total annual local authority expenditure in Great Britain (excluding London) on the provision of unconventional road passenger transport services is currently estimated to be £40m.
- The average reimbursement cost of concessionary travel per concessionary permit issued shows a marked difference between the higher costs in the urban areas of the English Metropolitan areas and Urban Unitaries (where the network of bus services and frequency of those services generally offer more comprehensive travel options) and the predominantly rural areas of the English Counties and Rural Unitaries. Indeed, the average cost in the English Rural Unitaries has fallen by £18 per permit this year, possibly, it is suggested, as a result of significant service cuts in many of those areas. Data for Wales and Scotland are not available.
- The average reimbursement cost per head of those qualifying by age for the national concessionary travel scheme is currently £76.24. Again the cost is significantly higher in the predominantly urban areas. Data for Wales and Scotland are not available.

- The average reimbursement fare paid to bus operators in England (excluding London) is currently £1.13. Data for Wales and Scotland are not available.
- The total annual local authority expenditure on the English and Welsh national concessionary travel schemes is currently £765m. London and Scotland have separate schemes for which data is not available.
- Some 32% of all bus trips in England (excluding London) were made by holders of the English National Concessionary Travel Scheme (ENCTS) pass in 2018. The average for the PTE areas is significantly lower at 26%.
- English authorities generally are abandoning local alternatives to the ENCTS pass (such as transport travel tokens, taxi vouchers or railcards).
- On average, around 11% of concessionary trips are undertaken by modes other than local bus in the PTE areas, six times higher than the latest figure for other English authorities.
- The number of passes in circulation in England (excluding London) is currently 8.2m (of which 0.75m are for younger disabled people), and that the overall take-up rate for elderly people is 78%.
- It is estimated that about 30% of all bus stops in Great Britain (excluding London) have a shelter.
- It is estimated that about 60% of all bus stops in Great Britain (excluding London) have an information display.
- It is estimated that about 30% of all bus stops in Great Britain (excluding London) have a level boarding facility.
- The total annual local authority expenditure (excluding London) on the provision of public transport information is estimated to be approximately £12m.
- The total annual local authority expenditure (excluding London and the English Metropolitan areas) on the provision of mainstream school transport is estimated to be approximately £490m.
- The total annual local authority expenditure (excluding London and the English Metropolitan areas) on the provision of SEN transport is estimated to be approximately £540m.
- The total annual local authority expenditure (excluding London and the English Metropolitan areas) on the provision of adult social care transport is estimated to be approximately £120m.