

05 July 2022		ITEM: 5
Planning, Transport and Regeneration Overview and Scrutiny		
Thurrock Supported Bus Services		
Wards and communities affected: All Wards	Key Decision: Key Decision	
Report of: Navtej Tung, Strategic Transport Manager		
Accountable Assistant Director: Leigh Nicholson, Assistant Director, Planning, Transportation and Public Protection		
Accountable Director: Julie Rogers, Director of Public Realm		
This report is Public		

Executive Summary

Thurrock Council supports through financial contribution three local bus services within the borough. These services, tendered by the council in 2019 are funded through a corporate budget. The services are operated by the bus operator NIBS on a three-year contract, which concluded in March 2022, with an option to extend by up to a further two years. Due to uncertainty in the market, and the impacts of the pandemic, a twelve-month extension has been implemented. The tendered cost of these services was approximately £452,000 per annum, but due to cost pressures, has risen significantly this year. With the receipt of a grant from the Department for Transport, the additional liability for this year is up to £50,000, which will form a corporate budgetary pressure on the council.

This report sets out a recommendation to review the provision of these supported services, through consultation with communities which are served by the three bus routes.

- 1. Recommendation:**
 - 1.1 Committee to endorse the commencement of consultation within the community for a period no less than 12 weeks on the need and impact of the three bus services supported by Thurrock Council.**
 - 1.2 Committee to note that during the consultation period any necessary profiling of user groups is to be undertaken together with a Community Equalities Impact Assessment.**

1.3 A further report scheduled for December 2022 will be presented to Committee to be made aware of the outcome of the consultation, the Community Equalities Impact Assessment and recommended options for future service provision into 2023 and beyond.

2. Introduction and Background

- 2.1 Thurrock Council subsidises the operation of three local bus services within the borough. These services provide access to and from locations and for communities which would not be otherwise supported by commercially sustainable bus services. These three services, the 11, 265 and 374, are further detailed below, with a route map appended to this report.
- 2.2 Service 11 serves Purfleet-on-Thames, Aveley, South Ockendon, North Stifford, Thurrock Hospital/proposed IMC, Grays, Chadwell St Mary, Orsett, Horndon-on-the-Hill, Stanford-le-Hope, Corringham, Fobbing, Basildon Hospital and terminating at Basildon bus station. This bus departs every two hours from approximately 7am until 7pm Monday to Friday only, with one bus in each direction.
- 2.3 The 265 operates twice a day with a solitary bus on Mondays, Wednesdays and Fridays only, connecting Grays, Socketts Heath, Orsett, Bulphan and West Horndon, with departures in each direction between 10am and 2pm.
- 2.4 Lastly the 374 serves Grays, Socketts Heath via Hathaway Road, Chadwell St Mary, West Tilbury, Coalhouse Fort, East Tilbury, Linford, Stanford-le-Hope, Corringham, Fobbing, Basildon Hospital and terminates at Basildon bus station. These buses run Monday to Friday, departing approximately every 90 minutes between 7am and 6pm, with one bus in each direction, and every three hours on Saturdays.
- 2.5 The communities of East Tilbury Village, Fobbing and Horndon-on-the-Hill have no alternative public transport provision and Bulphan has no other provision linking it with any other part of Thurrock. East Tilbury and Linford have no other bus provision, but do have access to rail services, although it should be noted that some parts of East Tilbury are a significant distance from the railway station. In addition, these services provide direct links between communities which are not offered by commercial services. For example, there are no alternative direct links between Purfleet and Aveley, or Aveley and South Ockendon.
- 2.6 Prior to a formal tender in 2019, papers were submitted to Overview and Scrutiny Committee and Cabinet to agree the continuation of the services. A three-year contract with a two-year extension option was awarded to NIBS.
- 2.7 The contract was tendered on a “revenue risk” basis, where the council does not pay for the full cost of delivering these services but provides a guaranteed sum to the operator. All fares and revenues collected remain with the operator, providing an incentive to the operator to increase patronage, helping

to reduce cost to the council, and placing a risk with the operator if revenues do not meet their projections.

- 2.8 In 2019, the three services carried 89,040 passengers. The subsidy provided by Thurrock Council for these three services for that year totalled £454,318.20. This equated to a subsidy of £5.10 per passenger. Of those 89,040 passengers, approximately a third are fare paying passengers, with the overwhelming majority of the remaining riders being older person or disabled concessionary pass holders. Respective figures for 2020 and 2021 are significantly skewed due to the impacts of the pandemic, coupled with government guidance and changes in travel behaviours. In 2020/21 patronage was 30,758, and in 2021/22 patronage was 65,008. This trend in patronage can be seen on all bus services across the country. In 2019/20 only a third of journeys were by fare paying passengers (40% in 2021/22).
- 2.9 These services provide a key community, social, and health and wellbeing benefit to many residents. For example, in 2019, 54% of all passengers on the 11 service are concessionary pass holders, and these are most likely to be older persons. For the 374, this was 64%, and 89% for the 265. This totalled 53,789 passengers in 2019, or 60% of all passengers on these three services. Concessionary pass holders do not pay to use the bus anywhere in England from 9.30am onwards, and this is a statutory provision. In Thurrock, this provision is allowed from 9am. Thurrock Council has a duty to fairly compensate bus operators for concessionary travel, and this is provided from a separate grant and budget.
- 2.10 All other bus routes in Thurrock, except those franchised by Transport for London, and an Essex County Council service which serves Bulphan from Brentwood, are commercially operated services delivered by Ensign Bus and First Buses Essex.

3. Issues, Options and Analysis of Options

- 3.1 The initial three-year term of the contract came to an end in March 2022. As such, the council has extended the provision of the service through the available contract extension by a further twelve months. This will see the price rise by up to a maximum of £100,000, but based on likely revenue income and other grants, this is likely to be minimised to £80,000. A £50,000 grant has been received by the council from the Department for Transport as a final Covid-support payment, limiting the council's additional liability to a maximum of £50,000 for this year only. This increase has been caused by rises in cost to fuel, drivers wages, cost of parts, as well as other increased costs. Over the contracted three-year period, the price had remained the same to the council.
- 3.2 These circumstances provide an opportunity to review the need for these services, and to ensure they present value for money. With increase in costs, and patronage not yet recovered, there is the chance to identify if these services should be maintained in their present form, or if there are opportunities to revise the prevision. As part of this process, in consultation

with the Communities Team and Legal Services, there is legitimate expectation by our communities to consult with them on considerations of this nature. It is an expectation of communities to be consulted where services are considered for significant alteration or potential for withdrawal, in particular where budgetary pressures are a key underlying factor.

- 3.3 Therefore it is advised that the council should undertake a consultation with all communities which are supported by these services. A minimum 12-week consultation would be in line and consistent with the Governments Code of Practice on consultation. Consideration would have to be made of the communities and service users and the process would have to be fair and appropriate. It would be insufficient and inappropriate to hold an online only consultation, and the council would likely need to actively engage within these communities, given the rural locations of those affected.
- 3.4 Alongside a consultation, the council is also recommended to undertake a Community Equalities Impact Assessment, given the nature of the proposals, and the corporate and community risk arising from failure to meet due regard requirements set out in the Public Sector Equality Duty. The council does not have a high level of profiling of users, but this community impact assessment work has already commenced, as some details are required prior to any consultation, to help the council identify the most appropriate consultation process and methodology.

4. Reasons for Recommendation

- 4.1 In light of the detail identified within the report, it is recommended that the council consult with the community and residents of the ongoing need and the impact and implications of potential alterations or possibly withdrawal of the three bus services supported by Thurrock Council. This consultation is undertaken for a minimum period of twelve weeks as recommended by the advice from the Communities and Legal teams within the council. Concurrently with the consultation, officers complete the necessary profiling of users and undertake a Community Equalities Impact Assessment. In addition, options for revising service provision are also developed, which may also need to consider withdrawal. Upon completing these actions, and reviewing consultation responses, an informed recommendation can be returned through the council's democratic processes and to Cabinet to determine the most appropriate action. By following this recommendation, a report would need to be reviewed by Overview and Scrutiny Committee, and Cabinet by December 2022, with any subsequent actions implemented following that meeting.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 Consultation for this report has been undertaken internally with key teams within the council. Namely these have been with the Communities team to understand more about the impact and procedures for potential changes to these services, and with the Legal team to understand more about the

contract and legal matters relating to service provision. Specialist legal support has also been sought on matters relating to bus service provision, in consultation with the council's legal services. Ultimately, this report sets the framework for potential to consult with the community on all of these matters.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 This report has made aware the provision the three supported bus services provide to communities, particularly those without alternative transport services. Any changes in the availability of transport services to residents and communities could potentially have a negative impact on them, making access to facilities, workplaces, and education more difficult or expensive.
- 6.2 There are a number of corporate policies and strategies which directly and indirectly support the provision of bus services allowing access to key urban areas of destinations from rural and smaller communities. This can be seen in the Corporate Vision and Priorities for Thurrock, where accessibility interlinks with all three priorities of People, Place and Prosperity. The Economic Growth Strategy – 'Backing Thurrock' identifies within its "Recovery: Our immediate actions" section and "Building Resilience and a Return to Growth" – the medium to long-term goals – both speak about enabling access to employment, and supporting the economy, which are enabled by these services. The Health and Wellbeing strategy through its Objectives and Goals matrix links to the need for communities to have accessibility to key facilities and services.
- 6.3 Within the existing Thurrock Transport Strategy, bus service provision links directly with its Accessibility priorities, specifically Objective ACC1: to improve accessibility to services, especially education, employment and hospitals, with policies TTS2: Improving access to sustainable transport to key services and facilities; and TTS8: Mobility and Access for all being key. Additionally, the adopted Bus Service Improvement Plan sought to increase bus service provision for these services, in particular the 374 and the 265, enabling them to become more reliable for users.
- 6.4 The community impacts of these services are being assessed, with identification of users, origins and destinations, and demand to help better understand how these services support communities and residents. When combined with engagement of affected communities, this community impact assessment will help to identify and show any ongoing need for provision of supported services within Thurrock.

7. Implications

7.1 Financial

Implications verified by: **Laura Last**
Senior Management Accountant

The Thurrock Supported Bus Services contract has been extended by a further 12 months. The initial three year contract had a budget of £452,000 per annum, funded through a dedicated corporate budget. The budget for 2022/23 remains £452,000 and therefore any price increase in the extension is currently unfunded and will cause a budgetary constraint. This is currently £50,000 for the year 2022/23. If the services were to be, withdrawn, this will create an annual budgetary saving of £452,000 per annum, commencing April 2023.

7.2 Finance

Implications verified by: **Gina Clarke**
Corporate Governance Lawyer and Deputy Monitoring Officer

It is not a statutory requirement for the Council to fund any public local bus services. However, the Council does have powers under the Transport Acts 1985 and 2000 and Local Transport Act 2008 to enter into agreements with public transport operators to provide subsidies for services which are not available commercially.

Any withdrawal of subsidies for bus services will need to be justified and such a decision would need to be based on robust evidence and analysis. The decision-making process would need to be supported with consideration by Cabinet of the outcome of the consultation and consultation response, an Equality Impact Assessment, the Public Sector Equality Duty (PSED) requirements under Section 149 of the Equalities Act 2010 as detailed in paragraph 7.3 of the of report, together with any other relevant factors such as budget constraints.

7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
Community Engagement and Project Monitoring Officer

There is a need for an Equality Impact Assessment to be undertaken to support any decision made on these services, to ensure compliance with Public Sector Equality Duty. These should also be supported by formal consultation with residents and affected communities, taking into consideration existing users and their locations of residence, ensuring the consultation process is fair and accessible.

7.4 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

Changes to these services will likely have an impact on residents who are reliant on these supported bus routes and do not have access to alternative modes of travel. This may then result in costs transferred to other parts of the council or health services, providing access to services and facilities, including hospitals and education, as well as access to food and other retail services.

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Cabinet, 10 October 2018, Item 11 – Procurement of Local Bus Services

9. **Appendices to the report**

- Appendix 1 - Supported Services Route Map

Report Author:

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Transport Development