

Report for: Cabinet Policy Forum 24 September 2018

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Information concerning Subsidised Buses and the tranche II Budget Saving Proposal

A: Background

At the last Cabinet Policy Forum it was proposed to look at saving £150,000 from the £715,000 Bus Subsidy budget. It was decided not to look at on demand services used by vulnerable residents (Call Connect and Community Link) but instead look at the £520,000 subsidy on the 60s service and evening and weekend supported routes.

CPF asked to see the fullest possible information on which to base a decision. This paper aims to provide the fullest information available within the timeframe afforded.

It has not been possible for me to determine the subsidy of each journey made as there are 36,724 journeys supported through this investment. Nor has it been possible to give an accurate figure on subsidy per route as an annual contract price is agreed for all 12 Citi routes for a combined cost of £186,000 and the four 60s Services at a combined cost of £320,000.

However, I can provide information on routes covered, occupancy per journey and indicative costings on subsidy that might provide enough information to decide whether to proceed with this saving or not, whilst noting that consultation with residents, users and Ward Councillors would be needed when considering the detail and contract renegotiation with Stagecoach will need to be undertaken.

The evening and weekend Citi Routes covered by the £186,000 of funding and 60s routes afforded by £320,000 funding are:

Citi 1	Werrington - Queensgate - Orton Wistow	Monday - Saturday (Evenings)
Citi 1	Werrington - Queensgate - Orton Wistow	Sundays & Bank Holidays
Citi 2	Gunthorpe - Queensgate - Bretton Centre	Monday - Saturday (Evenings)
Citi 2	Gunthorpe - Queensgate - Bretton Centre	Sundays & Bank Holidays
Citi 3	Bretton Centre - Queensgate - Park Farm	Monday - Saturday (Evenings)
Citi 3	Bretton Centre - Queensgate - Park Farm	Sundays & Bank Holidays
Citi 4	Parnwell - Queensgate - City Hospital	Monday - Saturday (Evenings)
Citi 4	Parnwell - Queensgate - City Hospital	Sundays & Bank Holidays
Citi 5	Cardea - Queensgate - Dogsthorpe & Yaxley - Queensgate - Welland	Monday - Saturday (Evenings)
Citi 5	Cardea - Queensgate - Dogsthorpe & Yaxley - Queensgate - Welland	Sundays & Bank Holidays
Citi 6	Queensgate - Hampton	Monday - Saturday (Evenings)
Citi 6	Queensgate - Hampton	Sundays & Bank Holidays

	60s SERVICE SUBSIDISED	
60	Queensgate - Hampton - Orton Centre	Monday - Saturday
61	Queensgate - Fengate - Newark Sainsbury's	Monday - Saturday
62	Queensgate - Werrington - Glinton - Maxey	Monday - Saturday
63	Queensgate - Newark Sainsbury's - Keys Park	Monday - Saturday

1. The Number of days operated, number of total journeys made each way are

Route	Days of operation	Days operated PA	Queensgate	Timetabled Journeys	Annual departures
WEEKEND & SUNDAY SUBSIDISED BUSES					
Werrington - Queensgate - Orton Wistow	Monday - Saturday (Evenings)	304	7	7	2128
Werrington - Queensgate - Orton Wistow	Sundays & Bank Holidays	58	13	19	1102
Gunthorpe - Queensgate - Bretton Centre	Monday - Saturday (Evenings)	304	7	12	3648
Gunthorpe - Queensgate - Bretton Centre	Sundays & Bank Holidays	58	18	25	1450
Bretton Centre - Queensgate - Park Farm	Monday - Saturday (Evenings)	304	7	7	2128
Bretton Centre - Queensgate - Park Farm	Sundays & Bank Holidays	58	16	16	928
Parnwell - Queensgate - City Hospital	Monday - Saturday (Evenings)	304	3	5	1520
Parnwell - Queensgate - City Hospital	Sundays & Bank Holidays	58	6	13	754
Cardea - Queensgate - Dogsthorpe & Yaxley - Queensgate - Welland	Monday - Saturday (Evenings)	304	12	12	3648
Cardea - Queensgate - Dogsthorpe & Yaxley - Queensgate - Welland	Sundays & Bank Holidays	58	24	24	1392
Queensgate - Hampton	Monday - Saturday (Evenings)	304	3	6	1824
Queensgate - Hampton	Sundays & Bank Holidays	58	6	12	696
Total					21218
60s SERVICE SUBSIDISED					
Queensgate - Hampton - Orton Centre	Monday - Saturday	304	3	10	3040
Queensgate - Fengate - Newark Sainsbury's	Monday - Saturday	304	12	24	7296
Queensgate - Werrington - Glington - Maxey	Monday - Saturday	304	6	12	3648
Queensgate - Newark Sainsbury's - Keys Park	Monday - Saturday	304	3	5	1520
Total					15504

There are therefore 36,724 journeys supported by our £506,000 subsidy at £13.78 per journey.

2. Occupancy & Average Occupancy per each way bus route

We had information on passenger numbers to hand. Now that we have calculated the number of each way journeys made we can not only determine how many people are using each service but how full each bus is.

	Route	Days of operation	annual departures	passenger numbers	Average occupancy
Evening & SUNDAY SUBSIDISED BUSES					
Citi 1	Werrington - Queensgate - Orton Wistow	Monday - Saturday (Evenings)	2128	64683	30.4
Citi 1	Werrington - Queensgate - Orton Wistow	Sundays & Bank Holidays	1102	8679	7.9
Citi 2	Gunthorpe - Queensgate - Bretton Centre	Monday - Saturday (Evenings)	3648	26220	7.2
Citi 2	Gunthorpe - Queensgate - Bretton Centre	Sundays & Bank Holidays	1450	4030	2.8
Citi 3	Bretton Centre - Queensgate - Park Farm	Monday - Saturday (Evenings)	2128	29922	14.1
Citi 3	Bretton Centre - Queensgate - Park Farm	Sundays & Bank Holidays	928	3298	3.6
Citi 4	Parnwell - Queensgate - City Hospital	Monday - Saturday (Evenings)	1520	7808	5.1
Citi 4	Parnwell - Queensgate - City Hospital	Sundays & Bank Holidays	754	1837	2.4
Citi 5	Cardea - Queensgate - Dogsthorpe & Yaxley - Queensgate - Welland	Monday - Saturday (Evenings)	3648	28886	7.9
Citi 5	Cardea - Queensgate - Dogsthorpe & Yaxley - Queensgate - Welland	Sundays & Bank Holidays	1392	4604	3.3
Citi 6	Queensgate - Hampton	Monday - Saturday (Evenings)	1824	16720	9.2
Citi 6	Queensgate - Hampton	Sundays & Bank Holidays	696	1882	2.7
Total			21218	198569	
60s SERVICE SUBSIDISED					
60	Queensgate - Hampton - Orton Centre	Monday - Saturday	3040	27642	9.1
61	Queensgate - Fengate - Newark Sainsbury's	Monday - Saturday	7296	22532	3.1
62	Queensgate - Werrington - Glington - Maxey	Monday - Saturday	3648	36122	9.9
63	Queensgate - Newark Sainsbury's - Keys Park	Monday - Saturday	1520	5323	3.5
Total			15504	91619	

You might note as I did the very low occupancy of Sunday and Bank Holiday evening services on Citi Route 2-6 and of the 61 & 63 service.

Indicative Estimate of Evening and Sunday Subsidy

The amount we are subsidising these services could be calculated as

PCC subsidy required is Operator cost Less their fare income received

So, for example, if we assume that 200,000 passengers using the Sunday and evening services pay on average £1.25 per ticket (£250,000 fare income) and our subsidy is £186,000, then it means to the operator cost is based on £436,000 (£20 per journey as there are 21,218 journeys).

If we think tickets average nearer £2 on average (£400,000) and our subsidy is £186,000, this points to an operator cost of £586,000 (£28 per journey).

Using both:

If £1.25 average fare price is correct and 3 persons were using a service (such as City 2-6 services Sunday evenings) then our subsidy per route might be in the order of:

£20 less £3.75 in fares = £16.25 subsidy (£5.41 per user)

If £2 is correct then it would be

£28 per journey less £6 in fares = £22 subsidy – £7.33 per user)

This suggests that with 15,651 users of the Sunday evening services on City routes 2-6, the cost of operating these services is around £100,000 – based on a likely subsidy in the order of £5-8 per user.

The 60s service

In 2016 the Council increased its subsidy on these services by £104,000 pa through a revised timetable and additional services.

Year	No. of trips	Yearly cost
2014/15	85,666	£216,742
2015/16	83,497	£216,475
2016/17	83,265	£271,568
2017/18	91,659	£320,549

Upon investing an additional £104,000 into these services the Council might have thought that an extra 40,000 journeys might be supported at an average of around £2.50. However, only 7077 additional journeys have been supported over the average of 2014-2016 from this additional £104,000 at £14.69 per additional user.

The £150k could be saved (subject to contract negotiation by):

Reverting to a timetable on the 60s service more similar to that of 2016 (£100k)

Deleting half or most of the Sunday evening journeys provided 5.30pm-11pm that are used by an average of 2-3 people per journey.