

REPORT TO: Environment & Urban Renewal, Policy & Performance Board

DATE: 20th September 2023

REPORTING OFFICER: Executive Director, Environment & Regeneration

PORTFOLIO: Environment and Urban Renewal

SUBJECT: Receipt of Petition – Potential Withdrawal of 62 bus service (Monday to Friday)

WARD(S) Mersey and Weston, Bridgewater, Grange, Halton Lea, Norton North, Daresbury, Moore and Sandymoor

1.0 PURPOSE OF THE REPORT

1.1 To inform the Board of a petition which has been received following the bus operator giving notice to withdraw the No. 62 Service which operates on a Monday to Friday.

2.0 **RECOMMENDATION: That in accordance with the Council Constitution, the petition be received by the Board.**

3.0 SUPPORTING INFORMATION

3.1 The Council received a petition on 21st August 2023, signed by 1734 respondents concerning the withdrawal of the No 62 Service. This service provides a link between Runcorn and Warrington Town Centres via Grange, Halton Lea, Murdishaw, Norton, Sandymoor and Moore. The service operates Monday to Friday and offers an hourly frequency in each direction.

3.2 Of the total 1734 signatories, 715 have Halton area post codes and 259 have Warrington area post codes. The remaining 760 post code are located outside the Borough. These areas included Liverpool, St Helens, Frodsham, Wirral, London, Manchester, Yorkshire, Midlands, Shropshire, and some further afield in Scotland, Hong Kong, Australia, Wales, New Zealand, Central Europe and America.

3.3 Following a commercial decision taken by the bus operator, the Council was informed of their intention to withdraw from operating the service as of the 25 September 2023. The 62 Service is operated on a commercial basis by the operator. However, the service does already receive a level of public financial subsidy under a 'de minimis' arrangement, meaning the Council is already contributing to the operating costs of the Service.

- 3.4 The operator has stated that the withdrawal of the 62 Service is due to it operating at a loss and no longer commercially viable. It can therefore no longer be sustained by the operator.
- 3.5 The Council have carried out a tender exercise to identify the cost to maintain the service. Three operators submitted a subsidy cost to operate the service, all of which represented a significant increase in costs against the current subsidy level.
- 3.6 This level of subsidy required by potential new operators to continue the 62 Service is unsustainable for the Council given the budget position. It has to be assumed for budget purposes that the Service will not become commercially viable, and therefore a publicly funded subsidy would be required in perpetuity for this Service.
- 3.7 Recent discussions between the Council and one major bus operator have identified that operating costs have increased significantly as compared with twelve months ago. Operating costs include driver pay, fuel, vehicle maintenance, parts, and insurance, together with head office costs.

4.0 POLICY IMPLICATIONS

- 4.1 Over recent years the Council has experienced significant increases in local bus contracts costs. Costs since 2020/21 have increased by 35% primarily as a result of the increased operating costs experienced by the bus operating companies. The companies are reporting that the main drivers for contract cost increase are as a result of drivers pay, fuel, engineering/maintenance, vehicle costs, and head office cost increases.
- 4.2 The Council's current local bus budget is £458,870 per annum with an additional £150,000 provided from Mersey Gateway Funding. This budget is already fully allocated against other bus services in Halton.
- 4.3 Within Halton, there are 13 commercial routes in operation. In addition, there are a further 14 routes that are operate through publically funded contracts to cover areas where there are no commercial services. The majority of these subsidised services offer an hourly frequency, and few services after 6pm.

5.0 FINANCIAL IMPLICATIONS

- 5.1 As mentioned in 3.5 of this report, the service has been tendered through the Council's local bus tendering process. A number of submissions have been received, however, awarding a new contract on the most cost effective option would increase the local bus budget spend by £100,000 per annum. It should be noted that the current local bus budget is already fully committed to supporting existing contracts. At present officers are exploring options to maintain the

service.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

It is widely recognised that good quality and affordable public transport services can help to improve access to key facilities for children and young people within the Borough. The network also provides children and young people with a degree of independence. However, there are also very real limitations on the budget available to the Council.

6.2 Employment, Learning & Skills in Halton

The local bus network is fundamental to the residents of Halton accessing employment and education facilities not only within the borough but also in neighbouring districts. However, there are also very real limitations on the budget available to the Council.

6.3 A Healthy Halton

Access to health care facilities is acknowledged as a key priority. Public transport, in particular the local bus network, plays a vital part in accessing these facilities not only within the Borough but also further afield in neighbouring Boroughs. However, there are also very real limitations on the budget available to the Council.

6.4 A Safer Halton

The public transport network enables all passengers to access facilities in a safe way, ensuring that they are socially included. Public transport infrastructure significantly enhances and encourages use.

6.5 Halton's Urban Renewal

Provision of public transport services is widely acknowledged as playing a key role in sustainable regeneration and urban renewal. It also allows residents to access key areas within the Borough and cross-boundary to neighbouring districts. In addition, public transport infrastructure significantly enhances and encourages use. However, there are also very real limitations on the budget available to the Council.

7.0 RISK ANALYSIS

7.1 The withdrawal of the 62 bus service will leave areas within the Borough without an alternative. Therefore, isolating residents who live in the areas where the service operates.

7.2 It is recognised that residents who are dependent on the 62 Service

would need to make alternative arrangements for journeys, for example using active travel means to connect into other bus services or relying upon private options such as taxis or friends and family. For elderly and disabled residents who qualify, the Halton Community Transport 'Dial-a-ride' service may offer an option for travel.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 Public transport infrastructure plays a significant part in enabling people with disabilities to access public transport, facilitating their ability to travel. For elderly and disabled residents who qualify, the Halton Community Transport 'Dial-a-ride' service may offer an option for travel.

9.0 CLIMATE CHANGE IMPLICATIONS

9.1 Public transport provides an alternative sustainable option to the private car and is conducive to lowering emissions. Buses are widely seen as one of the major alternatives with the potential to reduce significant levels of journeys made by private vehicles.

10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Copy of petition redacted from this report under the Data Protection Act 2018 (GDPR).