



CABINET – 10TH NOVEMBER 2021

SUBJECT: CAERPHILLY REDUCED BUS FARE SCHEME

REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT

--

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to seek Members views on the proposal for Caerphilly CBC to finance a reduced bus fare scheme for five weekends prior to Christmas 2021.

2. SUMMARY

- 2.1 Bus travel has been severely affected by the Covid-19 pandemic, with passenger numbers plummeting, and the requirement for social distancing and additional cleansing requirements adding further burdens and costs on operators. Whilst Welsh Government and local authorities have stepped in to support the sector with substantial financial assistance, the number of passengers currently travelling remains low and is approximately 60% of the pre pandemic figures. Caerphilly CBC is therefore considering introducing a reduced bus fare scheme, where passengers would pay a reduced single journey fare of £1 for five weekends leading up to Christmas. The first weekend being the 20th and 21st November 2021. This would be an effort to boost passenger numbers on local bus services and provide additional support for local business and traders at this important trading time of the year.

3. RECOMMENDATIONS

- 3.1 Cabinet is asked to consider whether it wishes to financially support a temporary reduced bus fare scheme leading up to Christmas 2021.
- 3.2 In the event of the proposed scheme being supported, Cabinet is asked to agree that the total cost of up to £55k is funded from the previously approved Covid-19 Earmarked Reserve.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To seek the Cabinet's views and agreement to invest Council funds into a reduced bus fare scheme, encourage the use of sustainable transport use and support the local economy during the pre-Christmas trading period.

5. THE REPORT

5.1 Wider Context

- 5.1.1 Bus travel has been severely affected by the Covid-19 pandemic. Passenger numbers have plummeted, whilst social distancing and additional cleansing requirements have placed added burdens and costs on operators.
- 5.1.2 WG and local authorities (LAs) have stepped in to support the sector with substantial financial assistance to date. However, the number of passengers currently travelling remains low and is approximately 60% of the pre pandemic figures.
- 5.1.3 It has been proposed that a reduced bus fare scheme for the five weekends prior to Christmas 2021 will entice new and old passengers to use the bus services within the Borough, with the aim of long-term increased patronage and service sustainability.

5.2 Key Features of the scheme

- 5.2.1 The scheme aims to promote bus travel by offering a £1 reduced fare on all single journeys taken within the borough for the five weekends prior to Christmas, starting on the weekend of the 20th and 21st November and finishing on the weekend of 18th and 19th of December. These dates coincide with the town centre Christmas Markets.
- 5.2.2 The scheme will operate from the first bus journey on each route, with the last discounted ticket issued to passengers that board the bus prior to 19:00.
- 5.2.3 In addition to bus promotion, the scheme aims to encourage more people to the borough's towns to support local businesses and traders at this important Christmas trading period.

5.3 Risks

- 5.3.1 Prior to the Covid-19 pandemic, Caerphilly benefitted from a good bus network coverage. Since that time there have been a number of service reductions, particularly with evening and Sunday services.

From the 51 services operated through Caerphilly borough, only 13 have a Sunday service operating – 10 of which are subsidised by the Council.

- 5.3.2 The bus industry is currently experiencing a number of issues including challenges around pay and conditions combined with a critical shortfall of drivers; this is resulting in many short notice service cancellations and full-service withdrawals across the South East Wales region. This is a particular concern for the largest bus operator within the borough, Stagecoach. Should the scheme go ahead Cabinet must be mindful of the potential negative reaction from members of the public if services are cancelled without notice, and passengers are unable to travel – especially if they have already made their outbound journey.
- 5.3.3 Should new passengers be attracted to use the bus service and receive a bad experience; it could result in passengers not utilising the service again in future.
- 5.3.4 Stagecoach drivers are currently undertaking industrial action over a pay and conditions dispute. This action is planned to run until the 13th November. There are currently no indications that the action will cease earlier than this date, and it is possible

they might be extended if negotiations breakdown. It is possible that following industrial action, the company and/or trade union may prohibit overtime from being worked. The subsequent result to bus services for the end of November/early December could be significant, however this is unconfirmed.

- 5.3.5 In addition to the above, Stagecoach has informed the Council that from the 29th November they intend to make further service reductions to three journeys by reducing the frequency from half hourly to hourly.
- 5.3.6 Should approval for the scheme be given, there will be limited time to promote it between Cabinet's ratified decision and the first weekend.
- 5.3.7 With town centre parking continuing to be free across the borough in November and December, this could impact the potential number of people that would pay to travel, where they have access to their own vehicle and no additional costs other than fuel.

5.4 Conclusion

- 5.4.1 Whilst the introduction of the temporary reduced bus fare scheme will offer an opportunity to promote bus usage and encourage more people to the borough's towns to support local businesses and traders at this important Christmas trading period, any decision to implement the scheme must be considered against the backdrop of the risks outlined above.

6. ASSUMPTIONS

- 6.1 it has been assumed that the Stagecoach industrial action is successfully resolved and there is no further adverse impact on local bus services but this is not guaranteed.

7. SUMMARY OF INTERGRATED IMPACT ASSESSMENT

- 7.1 As an operational matter with no impact of strategic issues the Council's full Integrated Impact Assessment process does not need to be applied.

8. FINANCIAL IMPLICATIONS

- 8.1 Payment to the bus operator will be purely based on passenger numbers with the shortfall of the normal fare for each passenger travelling being paid by the Council. It is estimated that the maximum cost to support this scheme will be in the region of £67,000. This is based on the total bus revenue taken by bus operators within Caerphilly on the weekend of the 7th and 8th of December 2019. Re-imbusement to operators will be capped at this pre pandemic amount, which was also a Christmas Market day in Caerphilly. With bus operators receiving £1 from each paying passenger, it will be offset against the outstanding revenue shortfall, resulting in an approximate overall scheme maximum cost to the Council of £55,000.
- 8.2 No assumptions have been made on promotional costs.
- 8.3 There are no external funding avenues to support this scheme, and there are no funds within the service budget. As such funding would need to be identified from other areas

within the Council. It is therefore proposed that the total cost of up to £55k is funded from the previously approved Covid-19 Earmarked Reserve.

9. PERSONNEL IMPLICATIONS

9.1 There are no personnel implications arising from this report.

10. CONSULTATIONS

10.1 Discussions have taken place with the bus operators that operate within the Caerphilly borough. Four of the five operators have expressed an interest in taking part in the scheme, whilst the fifth operator only serves four bus stops within the county boundary.

10.2 All responses from consultees have been included in the report.

11. STATUTORY POWER

11.1 The following enabling statutory powers apply to the ITU service.

- Transport Act 1985
- Transport Act 2000
- Transport (Wales) Act 2006
- Learner Travel (Wales) Measure 2008

12. URGENCY (CABINET ITEMS ONLY)

12.1 The report seeks an urgent decision to allow implementation of the scheme in the run up to the Christmas period in order to support local businesses in our town centres. It is therefore requested that this report is exempt from call in due to its urgent nature.

Author: Geraint Roberts – Team Leader, Integrated Transport Unit;
ROBERG7@CAERPHILLY.GOV.UK

Consultees: Dave Street, Interim Chief Executive
Cllr Philippa Marsden, Leader of the Council
Cllr James Pritchard, Cabinet Member for Environment and Infrastructure
Mark S Williams, Corporate Director for Economy and Environment
Marcus Lloyd, Head of Infrastructure
Rob Tranter, Head of Legal Services and Monitoring Officer
Steve Harris, Head of Financial Services & S151 Officer
Clive Campbell, Transportation Engineering Manager

Background Papers:
None

Appendices:

None

