

Written evidence submitted by Somerset Council (BCC0086)

Somerset Council

Somerset Council is a unitary authority that was formed in April 2023, it is the Local Transport Authority responsible for meeting statutory need. Somerset Council is a large local authority in the southwest of England with a population of circa 580,000 people. Somerset's residents are dispersed over a wide area with a small number of market towns. This means that the density of the population is low.

The council is submitting this response because the situation for providing passenger transport services in rural areas is becoming increasingly difficult. Whilst recent funding awards are incredibly welcome the prevailing conditions are such that the level of intervention needed to make improvements to services so that they attract new users is substantially greater than has been received to date. The reforms of power are welcome but the council can see significant risks associated with them that are difficult to accept when considered against the broader local government challenges.

a. Government's proposed reforms of powers over buses in England and funding for rural areas: Operating buses in rural areas presents challenges such as dispersed settlements, limited population between principal settlements, and the lack of a robust customer base. Additionally, the high cost of delivering bus services in rural areas is a significant challenge, as it often requires substantial subsidies to maintain viable services. Ensuring reliable services in rural areas is also challenging due to factors like longer travel distances, variable passenger demand, and the need for well-maintained infrastructure. Cost increases in running services, such as rising fuel prices and maintenance costs, further exacerbate these challenges. The recent announcements in relation to National Insurance increases is a huge concern for operators and many are already starting to highlight the additional financial pressure this place on them. Reliability challenges can affect passenger trust in services and their willingness to use them, as passengers may be less likely to rely on services that are perceived as unreliable, particularly in rural areas where there is low frequency, and the next bus may not be along for 90 minutes.

The Government's proposed reforms and funding should consider these unique challenges. For example, Somerset Council is using the Bus Service Improvement Plan (BSIP) funding allocation to improve public bus service

provision in the county by engaging with local communities, stakeholders, and transport operators to develop and implement effective transport strategies through Somerset's Enhanced Partnership (EP) however the scale of the challenge is significantly greater than the financial ability of the council. Through Somerset's original BSIP bid in 2020 it was estimated that to provide adequate service across the county would cost in the region of £165m and to date Somerset has received additional funding of less than a third of this. Since the production of the original BSIP the costs of operating services have substantially increased and the financial situation in local government has become increasingly challenging.

b. Effectiveness of recent Government policy in tackling declines in bus services:

Recent Government policies, such as the continuation of subsidised fares and grants through the Bus Service Improvement Plan (BSIP), have been effective in reducing the risk of significant commercial withdrawal of bus services. The Enhanced Partnerships review work also aims to improve bus services by fostering collaboration between local authorities, communities and transport operators. In Somerset, the EP Plan and Scheme document highlights initiatives like improving bus connectivity with rail and coach modes, addressing the cost of transport for young people, and implementing bus priority interventions to reduce congestion in town centres. However, it's the inescapable fact that income is not keeping pace with costs, and this drives up the subsidy requirements and reduces the effectiveness of improvement interventions.

The national £3 fare cap is causing concern for our major operator who anticipates it will have a significant impact on patronage and subsequently revenue. The lack of certainty in the continuity of the fare cap beyond December 2025 when it is currently due to end, makes it challenging to plan for the longer term.

c. Effectiveness of bus services as part of integrated multi-modal networks:

Bus services play a crucial role in integrated multi-modal networks, especially in areas with declining services. The Somerset Council's Bus Service Improvement Plan (BSIP) emphasizes better integration with other modes of transport, such as rail, to provide a more accessible and reliable network. Improved ticket integration, bus priority measures, and real-time bus information are some of the initiatives aimed at enhancing the overall mobility for people in these areas. Coach services also play a vital role in providing long-

distance travel options and connecting rural areas to major cities and transport hubs. The development of Mobility Hubs, such as the one Somerset is delivering in Taunton, aims to support multimodal transfer by incorporating multi-bay bus interchanges and bringing inter-city coach services into one place with good connectivity to rail services. However, the majority of railway stations in Somerset are a significant distance from their nearest town which makes bus connectivity essential but also challenging to achieve for more rural areas. The challenge is that a large proportion of the bus network is timed to facilitate the access to FE Colleges and ensure we meet our statutory duty in terms of access to Further Education, and these times do not necessarily fit with train times or other users' needs.

Additionally, the Peninsula Transport Coach Strategy is being developed to address regional coach service needs and ensure that coach services are integrated into the broader transport network.

d. Social and economic impacts of poor connectivity: Poor connectivity can have significant social and economic impacts on communities, particularly in rural areas. It limits access to education, healthcare, employment, and social inclusion, thereby affecting the overall well-being of residents. The challenges of poor connectivity are exacerbated by the high car dependency in rural areas and the need for investment in local roads. The high cost of delivering bus services in rural areas further impacts social and economic outcomes, as it often requires significant financial support to sustain operations.

Somerset's most rural areas also have the lowest social mobility and highest deprivation, these areas have the lowest connectivity to further and higher education providers and employment opportunities. The bus services that connect these areas into the main towns struggle with reliability, due to the long distances travelled, which creates additional barriers. Some young people need to travel for three to four hours each day to access education which impacts their ability to learn as well as their social wellbeing.

e. Effectiveness of current funding models and governance structures: The challenges of operating buses in rural areas include the need for targeted intervention to make alternatives to private cars more economical and viable.

The BSIP funding is very welcome and not having to bid for the most recent allocation was of particular help, when officers are already extremely stretched in terms of capacity. In the future a multi-year funding settlement would be

beneficial as it provides more certainty and consistency for LTAs, operators and bus passengers. Longer term schemes can be planned and implemented. The simplified change control procedure will also assist in being able to make quicker decisions and move things forward at more pace.

f. Potential of alternative service models and innovations: The challenges of operating buses in rural areas include the need for investment in emerging technologies and the integration of transport with other services.

Alternative service models, such as Demand Responsive Transport (DRT) and community transport, can provide viable solutions for less populated communities. These models offer flexible and tailored transport options that can complement traditional bus services. The Government should continue to support these innovations by providing additional funding and technical assistance to local authorities and transport operators in areas where traditional bus services aren't viable. For example, the Somerset Council's Slinky provides coverage in approximately 80% of the county with the remaining areas being covered by other community transport groups. Through the BSIP we have begun a trial of Digital DRT, which has enabled passengers to book their journeys at any time via the app or website, rather than being restricted to a phone line during office hours and also enables them to book their journey up to 1 hour before they need to travel. This has made the service more responsive and accessible and is already proving popular.

By providing advice and guidance to community transport initiatives in Somerset the council has enabled significant local provision, by locals for locals which further demonstrates the potential of alternative service models.

g. Success of Enhanced Partnerships and potential of franchising: Bus franchising presents significant financial risks to Somerset Council. The cost of providing bus services in a large rural county like Somerset is disproportionately high compared to more urban areas due to the large distances that need to be covered and the low density of population. Somerset Council already provides funding towards the costs of running the majority of services within the county but does not have the funding or capacity to explore and set up a franchising scheme. The long-term barrier is the level of financial risk that the council will have to carry based on the level of service that has been set. With most services not being commercially viable in Somerset, this presents a considerable level of financial risk. Additionally, there is a lack of certainty around government funding and the commercial viability of services,

which further complicates the council's ability to maintain current levels of service. The implications of a fare cap, such as the current £3 fare cap, put additional pressure on authorities to retain this cap, thus increasing the cost of service provision.

Enhanced Partnerships (EPs) have shown promise in improving bus services by fostering collaboration between local authorities and transport operators. A review of EPs to identify best practices and areas for improvement would be welcomed. While franchising may offer a more structured framework for some areas, it is essential to consider local contexts and explore alternative models that can deliver similar benefits. The lack of competition in rural areas where there are few bus operators, and the market is already dominated by one provider is likely to lead little competition for franchises. The success of EPs and franchising will depend on effective governance, stakeholder engagement, and adequate funding. Currently there is limited information about the benefits of franchising to rural authorities, but it is clear that the approach presents significant risks and challenges that are difficult to accept when the overarching financial pressure on councils is so high.

h. Management of services straddling rural and non-rural areas: The challenges of operating buses in rural areas include the need for a place-based approach and the integration of transport with other services. The high cost of delivering bus services in rural areas further complicates these efforts, as it often requires substantial subsidies to maintain viable services. Ensuring reliable services in rural areas is also challenging due to factors like longer travel distances, variable passenger demand, and the need for well-maintained infrastructure. Cost increases in running services, such as rising fuel prices and maintenance costs, further exacerbate these challenges. Reliability challenges can affect passenger trust in services and their willingness to use them, as passengers may be less likely to rely on services that are perceived as unreliable.

Policy, funding, and oversight of bus services should ensure seamless management of services that straddle rural and non-rural areas and local government boundaries. This requires coordinated planning, clear communication, and collaborative decision-making among local authorities, transport operators, and other stakeholders. The Somerset Council's approach to developing integrated transport strategies, such as the Local Transport Plan (LTP) and BSIP, aims to address these challenges by aligning transport policies with broader strategic goals. The Peninsular Transport Strategy, which

emphasizes regional collaboration and holistic transport planning, also supports the effective management of services across different areas.

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