

Philip Whitehead
Cabinet Member for Highways and Transport

23 August 2016

Graham Ellis
Option 247

Sent by E-mail (graham@wellho.net)

Cabinet Office
Wiltshire Council
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Trowbridge
Wiltshire
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Your ref:

Our ref: pw/cc/L16599

Dear Mr Ellis

I write to clarify Wiltshire Council's position with regard to the Buses Bill.

In discussion with officers, I am aware of the hard work that you and other members of the 247 team have put in to date, at my request, on a pilot area, to which I am grateful.

With regard to Wiltshire Council's position on the Buses Bill I can confirm the following and it might be worth starting by establishing what the purpose of the bill is, which is set out below:

- Grow passenger numbers
- Tackle air quality hot spots
- Improve bus services for passengers
- Enable a thriving and innovative commercial bus sector
- Help cities and regions unlock opportunity and grow their economy

All of the above Wiltshire Council would support and strives to achieve through its existing public transport policy and wider LTP.

It is recognised that the Buses Bill is a watershed moment for public transport and the wider bus industry, with impacts that haven't been seen in the passenger transport market since deregulation in 1986. There are certainly some advantages to local transport authorities within the bill that can assist with the improvement of the overall bus product, as it has the facility to wrestle back some control to local transport authorities.

I am sure that option 247 would agree that the improvement and sustainability of a progressive bus network is a priority, but whether franchising can deliver that for Wiltshire is yet to be proven. It is in Wiltshire Council's opinion that the franchising approach should only be considered once all other partnership options have been tried and assessed as not achieving the aim of the Buses Bill.

Whilst the FAQs currently provided on the Option 247 website are a fair response to concerns around many of the risks and unknowns from franchising, they are, just one possible interpretation. With the current changes taking place at Westminster at the

moment, significant risks and uncertainty still remains for any authority considering the franchising approach, such as.

- There is still a lack of clarity of the justification criteria that would definitely be applied for an authority without a mayor that wishes to pursue franchising.
- The final legislation will not be in place until the spring / summer of 2017 and the timescales involved in introducing franchising will far exceed January 2018, as we would need to obtain and analyse the financial and passenger data for the current commercial services. This does not fit with Wiltshire Council's current timescales for savings.
- The local Authority would hold all of the risk - both financial and reputational. There will need to be a real commitment to providing bus services, as simply reducing (or cutting) them after a year if the funding does not stack up, will not be acceptable
- No definite evidence that in Wiltshire, this would save money whilst improving services because:
 - There is almost no head-to-head commercial service competition in Wiltshire;
 - There are relatively few commercial services outside the Salisbury area and no evidence of excess profits being made;
 - Operators of franchised services would still need to make a profit;
 - More staff would be required by Wiltshire Council to manage the contracts and monitor & publicise the services;
- The issue of financial compensation to current operators of commercial services has still to be clarified (and may require a lengthy court case to determine).
- Many of the redesigned services proposed so far by the 247 team only affect tendered services, so could be implemented anyway without franchising. Changes proposed to currently commercial services appear to reduce frequency on certain sections of route or make end-to-end journeys longer, which is likely to dissuade passengers from using them and start a spiral of decline.

Whilst I agree that the improvement and sustainability of a progressive bus network is important, whether franchising can deliver that for Wiltshire and still make the savings that are required is still unclear. Given the risks involved, I would therefore prefer for Wiltshire not to be a pioneer in this area, but would be prepared to consider it at a later date when we can learn from the experiences of other local transport authorities who ultimately choose to go down this route.

I therefore regret that I do not feel that I can recommend the introduction of bus service franchising to my Cabinet Colleagues until all other partnership options have been tried and assessed as not achieving the aim of improving bus services in Wiltshire at a lower cost to the public. On that basis the franchising option will not initially be pursued by Wiltshire Council at this stage, but I am still happy that officers continue to work with option 247 on the principles of franchising for Wiltshire, should it be needed at a later date.

3

I appreciate that this is not the response you were hoping for, but I do hope it sets out the reason for the decision and what our intentions are for the future with regards to the Buses Bill.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P Whitehead', written over a horizontal dashed line.

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