

MID SUFFOLK DISTRICT COUNCIL

TO: MSDC Cabinet	REPORT NUMBER: MCa/22/44
FROM: Cabinet Member for Communities, Health and Wellbeing	DATE OF MEETING: 6 th February 2023
OFFICER: Fiona Duhamel, Assistant Director for Economic Growth and Climate Change	KEY DECISION REF NO. CAB400

MSDC: RINGFENCED FUNDING FOR ELECTRIC BUS RURAL TRANSPORT

1. PURPOSE OF REPORT

- 1.1 To share an update on the extensive work undertaken by officers in respect of the ringfenced funding for an electric bus rural transport scheme.
- 1.2 To seek approval of the recommendations outlined in this report which have been developed following analysis of the research carried out.

2. OPTIONS CONSIDERED

Cabinet are asked to consider whether the spending/delivery associated with this project should be paused for up to six months, for the reasons outlined in this report.

3. RECOMMENDATIONS

- 3.1 That Cabinet notes the extensive work undertaken by officers to date to consider the viability of an electric bus rural transport scheme across the District.
- 3.2 To approve the officer recommendation to pause the delivery of this project in order to allow more time to collate evidence to support the viability of a pilot scheme as limited evidence of successful schemes has been available to date across the local area and across the UK.
- 3.3 That, regardless of what the timeline or next steps of the project may be, co-design, tender development and delivery of the enhanced service is delegated to the Director for Economic Growth and Climate Change in consultation with the Portfolio Holders for Economy, Environment and Communities, Health and Wellbeing with recommendations from the project cross-party member working group, accepting that further agreement with Gateway 14 Board may be required if the final scheme is linked to G14 delivery.

REASON FOR DECISION

- 3.4 The Sustainable travel officer and a sustainable travel intern carried out extensive research on existing electric vehicle passenger transport services, gathering information on different types of delivery models from local, regional and national case studies. As the rollout of electric vehicles in respect of community-based services is a relatively new concept, most of the case studies found are currently running as pilots, and evidence to support long term sustainability does not exist.

- 3.5 At this stage, and for the reasons outlined in 3.4 above, officers are not able to use existing evidence locally or at a national scale to determine whether such proposals could be financially sustainable and whether they would deliver social and economic outcomes for the district.
- 3.6 As other similar and new initiatives are underway at a local and regional level, officers are recommending that any further work on the development of a scheme is paused to await outcomes from such schemes.
- 3.7 There is a real opportunity to link any electric bus service to the proposals which will be developed in due course for G14, however further time is required to better understand how any such schemes would be linked and how they would be used by communities and employees.

4. KEY INFORMATION

- 4.1 In February 2022, a budget amendment put forward by the Green and Liberal Democrat group was agreed ““For scheduled rural community transport utilising zero carbon electric buses, set aside a budget of up to £560,000 capital and £130,000 revenue per year for a two-year period – equating to total £560,000 capital and £260,000 revenue from the Growth and Efficiency Fund.”
- 4.2 In response to the budget amendment, officers were asked to research and investigate all types of low carbon rural transport provision, and draw up a detailed viability plan setting out the Business and Social Value Case for this project for Cabinet evaluation. An evidence base made up of case studies of existing projects or pilots happening both regionally and nationally was produced to support this (Appendix 1).
- 4.3 Many of the projects investigated within this evidence base were, or are, still within pilot phase, with no conclusive results yet on how financially sustainable they have become – although one local pilot has now concluded with some learnings (as detailed in section 6.2) – meaning that the attempts to assess feasibility and risk of delivering something similar have been limited.
- 4.4 Following initial research, a cross-party member working group was established to develop and steer the project further. Through monthly meetings, the options, and their associated opportunities and risks, were discussed at length and narrowed down to two options that appear to be the least-risk at this time.
- 4.5 Regardless of which option is taken forwards and within which timeline, it is recommended by officers that any delivery taken forwards is done so in partnership with an experienced delivery partner, with a tender geared towards an existing local community/rural transport operator to procure vehicles and deliver the service operationally.

CONSIDERATIONS RELATED TO THE RECOMMENDATION:

- 4.6 The situation and opportunities with regards to community transport within Suffolk are changing and evolving, and there are several things in development at this time which may change the overall picture of provision, and the feasibility of any new provision.
- 4.7 One pilot that has been particularly relevant to monitor in terms of investment in similar provision has been Suffolk County Council’s “Katch” pilot in operation between Framlingham, Wickham Market, Wickham Market railway station (at Campsea Ash),

Snape and Blaxhall. This was a demand responsive transport provision, with users able to book rides via telephone or an app, using two Renault ZE electric minibuses. The pilot ran from May 2021. Following one six month extension of the pilot, designed to establish a truer picture of demand as bus services recovered following the lifting of Covid-19 restrictions, it formally ceased operation on its scheduled end-date of December 23rd 2022. Suffolk County Council had found that passenger numbers had not risen to the point that the service could operate without further funding input, which was not available. A full analysis of the pilot is due to take place in 2023, with lessons learned being used to help develop future rural transport across Suffolk. It may be that this analysis provides valuable information for any new pilots or projects of this nature.

- 4.8 The district council within which Katch was piloted are now looking to develop some kind of replacement provision and are looking at ways to make this more deliverable and financially sustainable. This emerging provision is not intending to use electric vehicles due to the logistical/operational complexities and additional costs this brings to any transport project currently. The project is also looking to develop an app, which they hope can, in the future, be rolled out across Suffolk for use by any projects, pilots, or transport operators who wish to use it. It is expected that this app will be significantly cheaper than the demand responsive transport apps currently available on the market. The Mid Suffolk community transport operator (Communities Together East Anglia) are taking part in test trails of the app as part of its development.
- 4.9 The existing 'Connecting Communities' contract, facilitated by Suffolk County Council and delivered by local community transport operators, has offered operators a one year extension for 2023-24. This means the re-tendering process will not take place until 2024, allowing more time to develop services post-covid. There is no additional funding attached to this, but all Suffolk community transport operators have been invited to apply for a £50,000 rural transport innovation grant to deliver any project, service, or route that demonstrates an innovative solution to the provision of transport for communities in rural Suffolk. Suggestions of examples of the kind of thing operators can apply for funding for include new transport provision, advertising or marketing, business growth, electric vehicles such as cars, cycles or minibuses, EV charging infrastructure, IT equipment or software provision and upgrades such as apps and websites.
- 4.10 At the time of writing this report, it is not yet known whether Communities Together East Anglia (the primary Mid Suffolk community transport operator) will submit an application for one of the rural transport innovation grants, but MSDC have engaged with them in an initial conversation about the potential to develop a proposal specifically around young people accessing skills, training and employment opportunities – which is something that could potentially be match funded by the district council.
- 4.11 Transport East, who are the [lead Sub-national Transport Body for rural mobility](#), are currently developing a regional "Rural Mobility Centre of Excellence" – which MSDC has supported with by sharing research and information as part of a literature review. The work of the Centre of Excellence will progress the 'Energising rural and coastal communities' pathway in Transport East's [Transport Strategy](#), and will identify new opportunities for improving rural transport in the East for development with partners. It could be that, when developed, the centre of excellence becomes a useful tool in terms of comprehensive feasibility studies for rural transport provision, which could assist in decision making around financial investment.
- 4.12 There is currently a potential project/proposal for the trial of a taxi-bus service in the west of Mid Suffolk being developed by Suffolk County Council, Vertas and local Parish Councils. Vertas currently supports SCC school travel contracts using wheelchair accessible vehicles with eight passenger seats, which are registered as taxis. Having

identified that these vehicles are available for other uses between school runs, Vertas have developed a proposal to register taxi-bus routes, charging passengers in line with regular bus fares, which could serve Alpheton, Lawshall, Shimpling, Beyton, Norton, Elmswell and Woolpit for outward & return journeys to Bury St Edmunds market on Wednesdays and Sudbury market on Thursdays, as well as access to Elmswell station. The proposal is currently being worked up in further detail, and intends to focus on market days to start, with scope for expansion. This trial could provide more lessons in what kind of delivery models work well/are feasible and sustainable.

- 4.13 Currently, a national government scheme (which several Suffolk operators are taking part in) to [cap single bus fares at £2 is in](#) place. This scheme and its associated subsidy funding will end on 31st March 2023. It is hoped that this will increase passenger transport use. However, there are concerns, highlighted by the [Rural Services Network](#), that more rural services may be cut when this scheme, and other associated covid-recovery subsidy schemes currently supporting bus service provision, ends. We will not know the impacts of this until April 2023 and beyond, but if the end of such funding does indeed lead to more cuts in services, it may be that Mid Suffolk district Council finds there are other priorities in terms of investing funding in passenger transport.
- 4.14 Setting up any completely new provision for any area/route, or even replacing routes that have since been cut due to not enough fare income, is high risk in terms of whether it may be utilised enough to become financially sustainable. With this in mind, the project could seek to attach itself to a service that already has a targeted and specific user group in order to minimise the financial risk.
- 4.15 The emerging Gateway 14 development in Stowmarket will attract a significant amount of commuters, with the first tenants to move onto the site, The Range, providing 1,650 jobs alone. One part of the travel plan (condition 52 of hybrid permission DC/21/00407) for is the provision of a shuttle bus for commuters travelling from the railway station/town centre to the employment site. This provision will be funded by Gateway 14 Ltd.
- 4.16 It may be that some commuters to Gateway 14 travel from the rural villages or hinterlands surrounding Stowmarket and would benefit from a provision that serves a wider geographical area. There is therefore an opportunity to link the MSDC ringfenced electric bus funding in a way that complements the Gateway 14 shuttle bus, adding value to both provisions.
- 4.17 Focussing on provision for commuters to Gateway 14 could provide an 'anchor service', giving any new provision a better chance of success as there will be a defined user group whom, with targeted promotion, could increase passenger numbers and therefore bring financial sustainability to the pilot. The 'anchor service' could enable other services to be built around it, such as daytime community services or student services which could create a well-used and fully sustainable service.
- 4.18 Details will still need to be established, but it could be specified in a tender for a delivery partner that the MSDC funded provision must link up to the Gateway 14 provision. This would require aligning the timeline of developing and investing in the provision to the timeline of that of the Gateway 14 shuttle bus, which is a little further into the future.

5. LINKS TO CORPORATE PLAN

This project, when delivery continues, will link to several of our strategic priorities:

- Environment: by offering a low carbon transport provision which can reduce the amount of car journeys undertaken, the project will support carbon reduction emissions and air quality maintenance
- Economy: the project has the potential to bring people into our economic centres, and facilitate employment within the district
- Wellbeing: the project has the potential to decrease social isolation, and help people to access health and well-being facilities and services
- Communities: the project has the potential to provide a service that brings communities together and tackle rural isolation

6. FINANCIAL IMPLICATIONS

All funding invested is at risk unless a clear case can be made for financial sustainability and viability and outcomes associated with social and economic are clearly evidenced– whether that be the full £820,000 currently ringfenced, or a smaller amount if MSDC decides to reduce the amount of funding put out to tender.

An indication of how much funding other types of electric vehicle rural transport provision have required, along with how much these provisions charged per passengers, is outlined on pages 3-5 of the accompanying evidence base report (appendix 1).

As noted throughout this report, there is no guarantee that any kind of provision will lead to long term and ongoing financial sustainability and will not require further investment in the future to keep going, as this is dependent on passenger numbers. An ongoing assessment of any pilot would be required during the operational phase.

7. LEGAL IMPLICATIONS

There are no legal implications arising from this report as it is proposed to pause delivery until more evidence is gained to support a business case. However, should a scheme progress in the future, due to the amount of funding involved, a full tender process must be carried out to procure a delivery partner for the project. This will be in line with all related tender policy, laws and rules.

When the operational delivery of the project is further developed, it must be ensured that it will not be in breach of any competition laws with regards to other services, routes, operators.

8. RISK MANAGEMENT

Key Risk Description	Likelihood	Impact	Key Mitigation Measures	Risk Register and Reference
Preferred delivery timescales delayed In order to meet with G14 planning obligation timescales and given the lead in time to order buses, implementation of services may take longer than desired Delivery will be delayed until further	4	3	Work closely with G14 to better understand delivery timescales and potential to tie in Communicate with key stakeholders so as to manage expectations around timescales	EB01 LIVE RISK

analysis/evaluation of feasibility is undertaken				
Insufficient funding to deliver length of pilot desired Until further work on detailed service specification is carried out it is difficult to fully understand costs of pilot service	2	3	Work closely with G14 to better understand its planning condition and costs of anchor service	EB02 FUTURE RISK
Lack of users Inability to attract sufficient users to make service viable	2	3	Consultation in targeted areas where provision may be developed, to establish desire/need for service Service must be created to be easy to use e.g. app and phone bookings, and marketed as widely as possible before launch	EB03 FUTURE RISK
Reputational risk from working with other partner Different needs from partnership could impact on reputation of the service from the outset	2	2	G14 is council owned company so shared vision Tender can be geared towards an experienced local transport operator Early agreement of priorities and delivery must be agreed	EB04 FUTURE RISK

9. CONSULTATIONS

In researching delivery models/options to build an evidence base (appendix 1), there has been extensive engagement with transport authorities, county councils, district councils and transport providers across the UK. This included consultation about how they developed and manage their operations within low carbon transport provision.

Locally, some initial informal key stakeholder consultation – with parish councils and local community transport operators - has already been undertaken to gauge the areas currently completely lacking in any passenger transport provision, or with very poor, irregular, or infrequent services.

If/when the project does proceed, part of the tender for delivery can include an element of more in depth community consultation to ascertain whether or not the route/location chosen is likely to be well used.

10. EQUALITY ANALYSIS

At this stage, an initial EQIA screening report has been undertaken (appendix 2) and signed off by the EQIA team. It may be that a full EQIA assessment/check against the Equality Act

2012 will need to be undertaken, with the support of the EQIA team, as and when the project proceeds to delivery stage and there is a better understanding of what this may look like operationally.

11. ENVIRONMENTAL IMPLICATIONS

There are no positive or negative implications arising from this report which recommends pausing further delivery until better evidence is available. However, the project is intended to support a number of MSDC's environmental, climate change mitigation, and carbon reduction management ambitions, particularly with regards to sustainable travel.

The key aim of any delivery that follows this report will be to reduce the amount of single or low occupancy car journeys being undertaken by providing a low carbon alternative, and therefore improving air quality and reducing carbon emissions related to transport in the local area.

12. APPENDICES

Please find attached:

- Appendix 1: Evidence Base/case study report. Please note that this case study/evidence base report was produced in September 2022, and therefore some information included (such as the conclusion of the Katch pilot) has been superseded by more up to date information within this report.
- Appendix 2: an initial EQIA screening report

13. BACKGROUND DOCUMENTS

[The full budget amendment put forwards/agreed to ringfence this funding. \(Page 23\).](#)

14. REPORT AUTHORS

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