

Title of meeting: Cabinet Member for Traffic & Transportation Decision Meeting

Date of meeting: 23rd September 2015

Subject: Notice of Motion - fares on buses in Portsmouth

Report by: Director of Transport, Environment and Business Support

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

This report has been requested by the Cabinet Member for Traffic and Transportation following a Notice of Motion regarding "Fares on buses in Portsmouth "at Full Council on Tuesday, 17th March 2015.

2. Recommendations

In response to the Notice of Motion at Full Council, it is recommended that:

- 2.1 The Cabinet Member writes to First Hampshire, Dorset & Berkshire and Stagecoach (South) to seek their cooperation in providing a value for money bus service in Portsmouth**
- 2.2 Officers within the Transport, Environment and Business Support Directorate, will continue to meet with public transport operators to promote affordability within the fares structure and work on promoting bus travel across the city**
- 2.3 Through the Cabinet Members role within the Solent Transport partnership, continue to monitor the uptake a promotion of innovative ticketing solutions such as the Solent Go card, mobile phone ticketing and improving and promoting bus travel generally**

3. Background

- 3.1 Under the 1985 Transport Act, bus services outside of London were deregulated, removing local authority control of bus services. The Act opened the operation of bus services to the free market, and while Local Authorities continue to work in partnership with bus operators to achieve common aims, the action undertaken by bus operators is entirely at their discretion.**

- 3.2 At Full Council on Tuesday, 17th March 2015 a notice of motion regarding fares on buses within Portsmouth was tabled.
- 3.3 The motion noted that while the cost of diesel had reduced by over 10%, First Bus fare prices had actually increased their individual fares by approximately 6%, and the three month season ticket by over 3%, more than 10 times the rate of inflation.
- 3.4 With the stark reduction in global oil price, it is not surprising that a commensurate reduction in fare price would be expected. However, there are a number of intervening factors which make such a reduction unlikely in the short term:
- Fuel accounts for around 15% of the operating costs of the bus network, and therefore only makes up a small component of the overall running costs
 - 86% of the bus network is run on a commercial basis in Portsmouth, which relies on a profit in order to continue
 - Bus operators forward buy their fuel at a pre-arranged fixed price, offering certainty of price, and less susceptibility to fluctuations in pricing.
- 3.5 Notwithstanding the above, Portsmouth City Council remains committed to ensuring the provision of high quality, attractively priced public transport within the city, offering residents an appealing alternative to the private car.
- 3.6 Portsmouth City Council has worked extensively in partnership with neighbouring Local Authority, bus and ferry operators to promote the creation of Solent GO. Solent Go is a new, smart travelcard that can be used to travel all over South Hampshire. This currently includes buses, ferries and the hovercraft. We are working closely with our rail partners to introduce trains to the Solent Go card also.
- 3.7 The Solent Go card facilitates cross boundary trips across the sub region, offering value for money ticketing. Initial take up has been good, with further a further promotion campaign programmed for later this year. Future plans have been developed for the further roll out of this ticketing platform, providing a step change in public transport provision across South Hampshire.

4. Reasons for recommendations

- 4.1 A reliable public transport network is critical to the future prosperity of Portsmouth providing residents and visitors with access to employment, education, health care, and recreational opportunities. Having an affordable fares structure is essential to the operation of public transport and ensuring it is accessible to residents.

5. Equality impact assessment

There are no equality issues arising from this report.

6. Legal implications

The Council has no direct powers in relation to non-subsidised bus routes, and the setting of ticket prices. However, the commercial setting in which bus operators trade (and in which their prices are set) may be influenced by the Council's strategies in relation to parking, and transport, as a highways and planning authority. Accordingly, the Council is able to make representations and take views from bus operators on matters which may affect transport sustainability and uptake, such as pricing.

7. Director of Finance's comments

Portsmouth City Council has offered to work with the Bus Operators in order to establish a rationale for changing the current fare structure. PCC has a custom built price sensitivity model that could be used to assist the operators in modelling changes to fares. Currently the offer of using this model has not been taken up.

PCC will continue to offer support to the operators in order to assist them with their fare structures.

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Signed by:
Alan Cufley
Director of Transport, Environment and Business Support

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/
rejected by on

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Signed by:

Cllr Ellcome

Cabinet Member for Traffic and Transportation