
Date: 08 June 2018

Bus Route No. 60 (Welford to Northampton)

The Bus Route No. 60, which serves Hollowell village (not Teeton) and eight other villages adjacent to the A5199, from Monday to Saturday, will cease to operate from 21 July 2018 when the Northamptonshire County Council (NCC) subsidy funding is withdrawn. This coincides with the end of school year. In addition the County Connect bus service will cease to operate on the same date, again due to withdrawal of subsidy funding by NCC. The County Connect service operates between Daventry and Market Harborough and provides an 'on demand' service to residents of Hollowell and Teeton.

On Wednesday 30 May 2018 representatives of several villages affected by the withdrawal of this bus service met at Spratton Village Hall and discussed this issue with John Ellerby, Principal Bus & Rail Development Officer, Northamptonshire Highways. Various options had been proposed for alternative service each of which had been costed to provide a basis for Parish Councils to consider offering financial subsidy contributions to maintain the service.

It was agreed that if the service was to be maintained then Option A, as proposed, would be the only one to pursue as this provided a similar service to the current No 60 service provided by Centre Bus (but would exclude routes to Brixworth).

John Ellerby and Colleagues had researched these options and calculated overall cost together with estimated amounts required to subsidize the shortfall in revenue from passenger fares.

The overall cost of Option A for 12 months service was calculated as £103,000:00 and would require a subsidy of £45,000:00. However, as the current service will end on 21 July 2018 calculations have also been made for the cost of maintaining a service from 22 July 2018 to 31 March 2019. The subsidy required for this period is £30,000:00.

Statistical data had been provided of usage of the No. 60 service during February 2018 and this showed the percentage of passengers for each village. An initial consideration was to use this percentage figure to calculate the subsidy contribution from each village but this was discounted along with other options of population and numbers of households. It was accepted that any subsidy funding would be shared equally between the nine villages directly affected: - Welford, Naseby, Cold Ashby, Thornby, Guilsborough, Hollowell, Creton, Spratton and Chapel Brampton.

The contribution required from each village for the period July 2018 to March 2019 is £3,300:00 (£30,000:00 - 9) and for the year commencing 1 April 2019 is £5,000:00 (£45,000:00 - 9).

It should be noted that if passenger numbers / revenue proved to be lower than estimated then the level of subsidy would need to increase.

Decisions need to be made as soon as possible to allow John Ellerby to process contractual agreements with the Operating Company if the service is to continue after 21 July 2018. The current deadline is 30 Jun 2018 and this requires commitment from each Parish Council to provide its share of funding for the period to 31 March 2019 - £3,300:00. If any Council declines to provide funding the remaining Councils will need to increase their funding to compensate for the short fall or the initiative will fail and Bus Route 60 will cease to operate.

If the service is to continue after 31 March 2019, then Parish Councils will have to agree to provide the funding from 1 January 2019 to again allow John Ellerby to complete the contractual agreements with the Operating Company. This deadline may be changed but at present that is the date Councils will need to work to.

It was recognised that no Council will have budget allocation to cover either of these funding requirements as both will occur within the current financial year and therefore any funding will have to be withdrawn from Council reserves. This amounts to a total of £8,300:00 from reserves for each Council, assuming all nine agree to participate.

Those Councils which are subject to the Audit limit of £25,000:00 will need to ensure that these additional payments totalling £8,300:00 do not cause the end of year expenditure to exceed the Audit limit.

Payment of these amounts will need to be co-ordinated by one authority acting on behalf of all nine Councils and then transferred to the NCC for subsequent payment to the Operating Company. No Council representative offered to undertake this responsibility and no decision was made on this issue.

Although discussion took place regarding the County Connect service no consideration was given to funding of subsidy to try to maintain this service and it remains that this will cease from 21 July 2018.

In considering the implications of Hollowell & Teeton Parish Council contributing to the funding of the No. 60 Bus Route it should be recognised that the Parish Precept (Council Tax) for the current period (1 April 2018 – 31 March 2019) was increased to £10,800:00 (4.1%) partly to offset anticipated additional expenditure but did not include any amount for subsidizing bus operations. If the Council agrees to fund the initiative from July 2018 to 31 March 2019 (£3,300:00) this will have to be withdrawn from reserves.

The commitment to fund the following years subsidy (£5,000:00) will also need to be withdrawn from reserves and at this point in time it is not clear that the reserve account could provide this amount. The Council will undertake a budget review in October / November 2018 in preparation for submission of the precept demand for the next financial year (2019 - 20) and this will need to take account of the increased expenditure for maintaining the subsidy contribution in subsequent years.

£5,000:00 will require the precept to be increased by 46.3%. That does not account for any shortfall in passenger revenue or overall running costs / inflation.

Hollowell & Teeton Parish Council is subject to the audit limit of £25,000:00 and the funding of subsidy payments totalling £8,300:00 will cause the limit to be exceeded, because of planned expenditure during the current financial year.

A. G. Crisp
Chairman