
Meeting: Executive

Date: 28 September, 2010

Subject: Local Bus Services and Community Transport Interim Support Strategy

Report of: Cllr David McVicar, Portfolio Holder for Safer and Stronger Communities

Summary: This report asks the Executive to consider a draft interim strategy for supporting local bus and community transport services in the face of corporate budget pressures.

The report includes detail of the progress of the Transforming Transport review, improvements to the Council's Bus Service Evaluation Toolkit, and the latest financial position in respect of local bus service, community transport and concessionary fares support.

It proposes withdrawing support from a number of local bus services that are performing poorly against the BSET criteria, restricting the time before which use of concessionary passes is allowed on local bus services and either restricting or charging for the use of concessionary passes on dial-a-ride services. It further proposes consulting publicly on the principles involved, between 1 October and 15 November, before returning to the Executive meeting on 7 December with a revised proposal.

Advising Officer: Gary Alderson, Director of Sustainable Communities

Contact Officer: John Taylor, Leader of the Transforming Transport Team

Public/Exempt: Public

Wards Affected: All

Function of: Council

Key Decision Yes

**Reason for urgency/
exemption from call-in
(if appropriate)**

CORPORATE IMPLICATIONS

Council Priorities:

The recommendations contribute to maintaining a balanced budget, as the Council is legally required to do.

The recommendations seek to focus the Council's support for the local bus and community transport service network in order to optimise cost-effectiveness considered against the priorities contained in the Bedfordshire Local Transport Plan 2006/7 – 2010/11 (LTP2) and its associated Bus Strategy document. These include:

- Taking a realistic approach to the development and support of the network
- Maintaining the highest proportion of commercial provision as possible
- Coordinating network service development to maximise its potential and achieve efficiency and effectiveness.

A new set of priorities for Central Bedfordshire is being developed within the Local Transport Plan 3 process. Consultation on this is expected to be complete towards the end of the year.

Financial:

At its meeting on 17 August, 2010, the Executive noted a potential corporate medium term £36m revenue gap over the next five years, with the implication that all services supported financially by the Council need reviewing for cost-effectiveness and sustainability.

The future financial position regarding local bus and community transport support is likely to be challenging. Central government is reviewing specific financial support arrangements for passenger transport and transport costs continue to rise significantly ahead of consumer price inflation. An announcement by central government in respect of reductions in central transport support funding is expected in October 2010.

The recommendations provide for potential annual revenue savings estimated at £322,000.

Legal:

Any decision to withdraw financial support from local bus services may be challenged on the grounds that the Council is acting contrary to its published policies. However, alternative means of meeting people's needs will be sought in affected areas.

The proposed alterations to concessionary travel are to arrangements that are discretionary i.e. beyond the mandatory national scheme. Decisions may be challenged on the grounds that the Council is discriminating against disabled people.

Risk Management:

There is a risk that cutting supported services may cause hardship for existing users who are no longer able to get to/from work, shops, places of worship or to access essential services. This risk can be reduced by publicising alternative transport services effectively and seeking innovative transport solutions.

Staffing (including Trades Unions):

There are no staffing implications for Central Bedfordshire Council, although some bus operators may have to reduce staff in the event of service cuts.

Equalities/Human Rights:

Withdrawal of local bus services is likely to impact disproportionately on women, older people and ethnic minorities. Restricting the use of concessionary passes on dial-a-ride services or introducing a fare would impact disproportionately on disabled people. A detailed Equalities Impact Assessment is being developed.

Community Safety:

N/A

Sustainability:

Withdrawal of some local bus services may increase car use and congestion. However, the services proposed for withdrawal are those with low patronage.

Summary of Overview and Scrutiny Comments:

- Summary of comments only to be included here
- Full details to be contained in an Appendix

RECOMMENDATION(S):**1. that the Executive:-**

- Note the work being undertaken by the Transforming Transport team on the Council's support for local bus and community transport service provision**
- Agree to withdraw support from a selected number of poorer performing local bus services, identified using the Bus Service Evaluation Toolkit**
- Agree to restrict the time before which national concessionary pass holders may board a local bus service and travel without payment**
- Agree to restrict the use of concessionary passes on dial-a-ride services and/or introduce charges for their use.**
- Agree that a document setting out the principles and options involved in (b), (c) and (d) above is prepared for public consultation between 1 October and 15 November**
- Note that a report setting out the results of the consultation will be prepared, along with definitive options, for consideration at the Executive meeting on 7 December.**

<i>Reason for Recommendation(s):</i>	<i>To enable the Council to deliver a balanced budget in 2011-2012, whilst meeting the cost-effectiveness criteria contained in the Bus Strategy. Taking action now will enable introduction at the start of 2011-12 whilst maximising the amount of time available to develop and implement mitigating actions.</i>
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Executive Summary

Background Information

1. The Transforming Transport efficiencies project is examining all aspects of passenger transport provision and support in Central Bedfordshire. The project is due to complete by the end of 2010. Reflecting the budget scale, much of the work so far has focused on home to school transport. However, the project has also considered support for local bus and community transport services. Detailed background reports on these two topics are available (in draft as they are a work in progress).
2. The work is taking place in parallel with the development of Local Transport Plan 3 and there is regular liaison between the two teams on how to realistically set the targets for public transport provision and how to effectively and efficiently achieve the targets set. Ideally, a review of the contracted local bus service and community transport network should only be completed when the LTP3 objectives have been determined. However, consultation on the general LTP3 principles has only just commenced with a view to completion by late autumn. It is the view of the Transport Team that technical improvements to the way in which the Council's support is managed should be introduced as soon as possible and that the opportunity should be taken to withdraw support from the worst performing services.

Local Bus Services

3. The Council currently provides financial support for 77 local bus services at an annual cost currently forecast of £1,852,717, using powers under the Transport Act 1985. Just under 1/3 of these services involve cross-border journeys and cost-sharing with a neighbouring authority – some are managed by neighbouring authorities. Many types of local bus service require financial support because they are not commercially self-sustaining, generally because of low patronage. The Transforming Transport team has reviewed technical support arrangements and made a number of improvement recommendations which will improve the Council's ability to manage these contracts.

4. Table 1 shows the budget for tendered local bus expenditure in 2010/11 and the currently forecast outturn.

TABLE 1: Local Bus Services		
Spend against Local Bus Budget	£1,491,187	£1,396,305
Spend against Rural Bus Support Grant Recharge	£361,530	£561,999 (£119,000)
	£1,852,717	£1,839,304
Projected Overspend		£13,413

5. In order to identify accessibility and contract effectiveness, the Council uses a Bus Service Evaluation Toolkit (BSET) originally developed by Bedfordshire County Council. BSET includes consideration of accessibility, congestion relief, affordability and subsidy required per passenger. The Transforming Transport team has reviewed this and made a number of improvements, including obtaining latest patronage data from operators. In the longer term it is recommended that a new approach to accessibility measurement is adopted, aligned to the outcomes from LTP3. However, in the interim, the BSET provides a pragmatic objective means of identifying the best and worst value services. Moreover, it is unlikely that recalibrating the accessibility scores would significantly overcome the poor cost-effectiveness performance of the 10% worse routes as identified by the latest BSET. Basing the approach on the BSET as it is now, provides more time to consult and to consider mitigating actions, particularly with the community transport sector.
6. Running the revised BSET with the latest data produces a basic categorisation of:
- 11 routes where 'Action is needed'
 - 20 'Routes that require watching', and
 - 46 that appear to be 'Performing well'
7. The primary reason for an 'Action is needed' categorisation is poor patronage relative to the service costs (subsidy greater than £4 per individual passenger trip and/or fewer than 2 passengers per movement). Consideration has been given to each route as to whether a marketing initiative or retendering would be likely to reverse the position, but the conclusion is that these would not produce a positive result.
8. Were the Council to withdraw support from the 11 worst performing routes, this would reduce the revenue expenditure by £207,189. Note that Bedford Borough Council has already determined to withdraw its support from the 168 service, so the saving to this Council of £19,540 has already been assumed in Table 1 above.

Community Transport

9. Community transport falls within the Council's general powers and duties in respect of road-based passenger transport, set out in the Transport Act 1985. There is a requirement for community transport to be considered within the Local Transport Plan and, in Department for Transport guidance for previous Plans, there was a recommendation that Councils should develop a specific strategy towards community transport – something currently lacking in Central Bedfordshire.
10. The Council's powers and duties in respect of supporting community transport are equivalent to those that apply for local bus services i.e. discretionary but within a mandatory requirement to consider the need to support socially necessary services. However, there is a specific requirement on the Council to consider the transport needs of older and disabled people when determining its policies.
11. Using its Transport Act powers, Central Bedfordshire Council provides financial support amounting to around £281k p.a. in the form of grants to three dial-a-ride operations (Buzzer Buses, Mid-Beds Link-a-Ride, South Beds Dial-a-Ride) which offer demand-responsive, door-to-door services for people who are unable to use bus services due to restricted mobility. This support continues arrangements made by the predecessor County and District Councils. The schemes deliver around 55,000 trips per year.
12. Such services are inherently expensive to operate, as they require specialist vehicles and a high level of passenger support. The grant is therefore designed to cover the gap between operating costs and what the organisation could reasonably expect to recover through fares paid by users. This approach to supporting community transport is common across the UK.
13. Beyond the three dial-a-ride operators, there are a number of other CT providers in Central Bedfordshire, but which do not receive any public transport-related grant assistance (the Ivel Sprinter receives ca. £1,250 annually for a local bus contract):
 - Car schemes (volunteers with cars, mainly providing trips to health destinations)
 - Community buses (volunteer driven local bus services – Flittabus, Ivel Sprinter, Villager, etc. providing basic links to some rural communities)
 - Group travel brokerage, a minibus brokerage scheme run by the Rural Community Council.
14. However, there is little co-ordination or integration between providers, and the CT sector as a whole does not form a cohesive network of provision. Improving this position is a key objective for the Transforming Transport review.

15. Table 2 shows the budget for community transport expenditure in 2010/11 and the currently forecast outturn.

TABLE 2: Community Transport		
Marston Vale CRP	£4,154	
Bedfordshire Rural Transport Partnership	£554	
Grant to Link-a-Ride	£101,207	
Grant to South Beds Dial-a-Ride	£75,059	
Grant to Buzzer	£97,530	
Link-a-Ride (Social Services Partnership)	£7,000	
		£267,047
	£285,504	£267,047
Projected Overspend		£18,457

16. Consideration has been given to reducing the core grants to the dial-a-ride schemes. However, three points work against this. Comparative analysis against other UK schemes suggests the schemes are reasonably efficient. Secondly, a cut in grant would certainly lead to a reduction in service capacity, this reducing the number of trips delivered. Thirdly, the schemes' funding is based on 5 year Service Level Agreements that end on 2013
17. Instead, the Transforming Transport team has recently entered into a dialogue with the schemes with a view to improving their self-sufficiency and reducing their dependency upon the Council. This is in line with Department for Transport guidance. The initial response from the schemes has been positive. Within the new approach, consideration is being given to establishing much greater integration and service consistency across the sector, incorporating the car schemes and community buses in a new Central Bedfordshire CT partnership. Moreover, the schemes are considering extending their remit so as to mitigate against potential negative effects from the withdrawal of conventional bus services. The work with the schemes will be developed into a community transport strategy that can be part of LTP3.

Travel Concessions

18. The Council has a duty as a Travel Concession Authorities (TCA) under the Transport Act 2000 and the Travel Concessions (Eligibility) Act 2002 to issue statutory travel concession permits, on request and without charge, to elderly people (over the age of 60) and disabled people. Originally applying to travel within the Council's area, from April 2008 this was extended to apply to travel throughout England.
19. The current national scheme requires, at a minimum, that pass holders are able to travel free of charge on off peak local bus services. Travel can be made between 9.30am and 11.00pm weekdays, and at anytime on weekends and bank holidays. The pass has to be issued free of charge.

20. The Council has opted to enhance the scheme for local residents by removing the time restrictions, thus enabling pass holders to travel at peak time. In addition, the Council has chosen to allow pass holders to use their passes when travelling on dial-a-ride services provided by the three local operators.

Table 3 shows the budget for concessionary travel expenditure in 2010/11 and the currently forecast outturn.

TABLE 3: Concessionary Travel		
	Forecast	Budget
Advertising & Publicity	£5,000	£2,000
Professional Services (MCL and FSI Legal)	£65,000	£47,900
Permit issues	£67,000	£23,036
Dial-a-Ride reimbursements	£140,000	
Main scheme reimbursements	£2,018,000	£2,158,000
	£2,295,000	£2,230,936
Projected Overspend		£64,064

21. Consultants have estimated that a decision to restrict travel to journeys starting after 09.00 or 09.30 would save the Council somewhere between £65,000 and £95,000. The choice of start time needs to be determined in further discussion with operators to minimise the potential of creating a peak vehicle capacity problem which would reduce potential savings. Similar time restrictions are in place in many other Travel Concession Authorities, and there is a trend for their reintroduction where they were previously removed.
22. The inclusion of the dial-a-ride services in the concessionary travel reimbursement arrangements is entirely a discretionary decision by the Council – it is outside the National Concessionary Fares Scheme, which is restricted to registered local bus services, and consequently excluded from the Department for Transport's consideration when calculating authority allocations. Relatively few authorities do include community transport services within concessionary reimbursement schemes, and there is no government guidance to do so.
23. A saving on the concessionary travel costs could be implemented in a number of ways:
- the dial-a-rides could be excluded completely from the concessionary travel scheme
 - the concession could be reduced so that rather than entitling the recipient to free travel, it could entitle them to either a fixed (e.g. £1 a journey) fare or a proportional (e.g. half) fare
 - the dial-a-ride services could be segmented into those that are more like taxis (no prescheduling, little vehicle sharing) and those that are more like buses (prescheduled service, vehicle sharing) – only the latter would be eligible for concessionary travel.

24. Whilst the latter option has the benefit of promoting better use of the resources, it would be complex to introduce in a non-confusing way. A simpler approach might be to introduce a flat fare of, say, £1 a journey which would reduce the Council's annual contribution by some £50,000 (around 12% of the total funding received by the dial-a-rides / around 33% of the value of the concession). Informal discussions with the dial-a-rides have revealed that a significant number of users would prefer to make a financial contribution for the service.
25. Withdrawing the entitlement to free travel would impact directly on the service users who are exclusively older and disabled people. It can be argued that this approach would treat them unfairly in comparison to those who are able to use a conventional bus service. A counter argument is that an individually booked, door to door dial-a-ride service is more equivalent to a taxi service where no concessions are available.

Conclusion and Next Steps

26. The work on developing a bus and a community transport strategy in tandem with the LTP3 will continue in line with the general approaches set out above. This will involve operators from both sectors in an attempt to increase their respective contributions to overall service delivery and to reduce their dependency upon Council funding. At the same time a detailed Equality Impact Assessment will be prepared.
27. Subject to the Executive decision, it is proposed to prepare a report summarising the current position and immediate options on local bus and community transport, with a view to public consultation on the principles and the options. The consultation will be coordinated with that underway for LTP3.
28. A report summarising the results of the Consultation and providing definitive options with latest cost estimates will then be presented to the Executive for the 7 December meeting.

Appendices:

- Appendix A – Bus Service Evaluation Toolkit 2010 Results and criteria
- Appendix B – Wards affected by revised BSET threshold criteria

Background Papers:

- Transforming Transport – Task Note 7: Local Bus Service Support
- Transforming Transport – Task Note 1: Community Transport Improvement

Location of papers: Passenger Transport Unit, Technology House, Bedford