
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.

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: Executive
Key Decision Yes
Reason for urgency This decision is urgent because public consultation needs to take place, because of corporate budget pressures, on the Council's support for local bus and community transport service provision ahead of the Executive considering definitive future support options on 7 December 2010.

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 which needs to be published by April 2011. Consultation on this is expected to be completed 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 should be reviewed 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 £0.115M, which is included in the budget options proposals for 2011/12 onwards. Potential for further revenue savings is expected to accrue from the continuing review of local bus service support; a report on this will be made to the Executive in December 2010.

Legal:

The principal legal issues concerning this Interim Support Strategy are dealt with in the report. The Council has statutory duties, responsibilities and powers contained in various enactments namely the Transport Acts 1985 and 2008, the Travel Concessions (Eligibility) Act 2002 and also the Disability Discrimination Acts 1995 and 2005 and the Equalities Act 2010 (which will from October 2010 replace much of the DDA's). Any decision to change or withdraw support to local bus services or to make alterations to concessionary travel (which are discretionary arrangements beyond the mandatory national scheme) are vulnerable to legal challenge if the Council is found to be non-compliant with procedures relating to consultation, equalities impact and its own stated Policies.

When the Executive considers these matters at its meeting in December the legal implications of any decisions taken at that time will be fully addressed in the report. This will necessarily include consideration of the responses to the proposed consultation exercise and the equality impact assessment.

Risk Management:

There is a risk that cutting support for 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:

Central Bedfordshire Council has a duty to promote race, gender and disability equality and to tackle discrimination experienced by other vulnerable groups. The Council must ensure that decisions minimise unfairness and do not have a disproportionately negative effect on people from different ethnic groups, disabled people, and men and women. National research has highlighted that women, people from ethnic minority communities, disabled people, older and young people are all more likely to be dependent upon public or community transport; a detailed Equality Impact Assessment is therefore being developed to ascertain the adverse impacts these proposals may have on different groups of people. The findings of the Assessment will be reported to the Executive on 7 December.

Restricting the use of concessionary passes on dial-a-ride services or introducing a fare could impact disproportionately on disabled people and as a Council we have a legal duty to mitigate adverse impacts on disabled people as far as possible. Moreover, the Ombudsman recently ruled that Eastleigh Borough Council was guilty of maladministration when it withdrew discretionary concessionary travel provision without undertaking an Equality Impact Assessment and without consulting with representative groups of older and disabled people. The necessary consultation is being developed to take place in October and November.

Community Safety:

No significant impact on community safety has been identified.

Sustainability:

Withdrawal of some local bus services may increase car use and congestion. However, only services with low patronage would be considered for withdrawal.

Summary of Overview and Scrutiny Comments:

- At its meeting on 7 September 2010 the Sustainable Communities Overview and Scrutiny Committee considered the draft Executive report on Local Bus Services and Community Interim Support Strategy. The Committee agreed several recommendations relating to the proposals for public consultation and the accuracy of the data included in the Bus Service Evaluation Toolkit.
- Full details of the recommendations of the Committee are contained in Appendix A.

RECOMMENDATION(S):

- 1. to note the work being undertaken by the Transforming Transport team on the Council's support for local bus and community transport service provision.**
- 2. that a document be prepared for public consultation between 1 October and 15 November setting out the following principles:**

- (a) to restrict the time before which national concessionary pass holders may board a local bus service and travel without payment;**

- (b) to restrict the use of concessionary passes on dial-a-ride services and consider whether to introduce charges for their use;
 - (c) to utilise a combination of accessibility, congestion relief, affordability and subsidy required per passenger as the basis for prioritising support for socially necessary bus services.
3. to 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 2010.

Reason for Recommendation(s): 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.

Executive Summary

The report includes detail of the progress of the Transforming Transport review, work underway to enable the Council to evaluate supported bus services effectively, and the latest financial position in respect of local bus service, community transport and concessionary fares support.

It proposes continuing to develop the Council's Bus Service Evaluation Toolkit, 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 detailed proposal in respect of the Council's financial support for local bus and community transport services.

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 be completed 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.

- The work is taking place in parallel with the development of Local Transport Plan 3 (LTP3) 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 after the LTP3 objectives have been determined. However, consultation on the general LTP3 principles has only just commenced with a view to completion by the end of 2010. It is the view of the Transport Team that technical improvements to the way in which the Council's support for local bus and community transport is managed should be introduced as soon as possible and that the Council should prioritise its support for local bus services in order that action can be taken to improve, modify or withdraw services that do not meet the Council's criteria.

Local Bus Services

- 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 one third of these services involve cross-border journeys and cost-sharing with a neighbouring authority and 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 recommendations which would improve the Council's ability to manage these contracts.
- Table 1 shows the budget for tendered local bus expenditure in 2010/11 and the currently forecast outturn.

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

- In order to identify the cost effectiveness of its support for local bus services and the impact on accessibility, the Council uses a Bus Service Evaluation Toolkit (BSET) originally developed by Bedfordshire County Council. BSET includes consideration of four factors: accessibility, congestion relief, affordability and subsidy required per passenger. Combinations of these factors are used by many local authorities to determine their priorities, and they meet Department for Transport guidance. The Transforming Transport team has reviewed the original BSET and made a number of improvements, including obtaining latest patronage data from operators. It is intended to make further improvements as more accurate and current data becomes available, including refining the utility of the accessibility measurements which are currently weak.

6. In the meantime, the BSET provides a pragmatic objective means of identifying the best and worst value services. 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). Revenue expenditure on the 11 worst performing routes amounts to £0.207M. (**Note:** 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.)
8. The process of reviewing the 11 routes has commenced and officers are consulting with operators on alternative approaches that would reduce the cost to the Council and improve cost effectiveness. It is intended to bring a detailed report to the Executive meeting in December setting out the results of this consultation and making definitive proposals in respect of any significant service withdrawals that may be recommended.

Community Transport

9. Community Transport (CT) 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 CT to be considered within the Local Transport Plan. The Department for Transport guidance for previous Plans recommended that Councils should develop a specific strategy towards CT – 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 £0.281M 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 provision 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. £1,250.00 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		
	Forecast	Budget
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.
 - a cut in grant would certainly lead to a reduction in service capacity, this reducing the number of trips delivered.
 - 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 older people (until 31 March 2010 this was defined as aged 60, but is now tied to the date at which a woman of the applicant's age would be eligible to receive a state pension) 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.
21. 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

22. 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.
23. 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.

24. 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) with only the latter being eligible for concessionary travel.
25. 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.
26. 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

27. The work on developing a bus and 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.
28. Subject to the Executive decision, it is proposed to prepare a report summarising the current position, the principles and the immediate options in respect of 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.
29. A report summarising the results of the consultation and providing definitive options with latest cost estimates will then be presented to the Executive at the 7 December 2010 meeting.

Appendices:

Appendix A – Recommendations of the Sustainable Communities Overview and Scrutiny Committee

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