
Meeting: Executive

Date: 7 December 2010

Subject: Local Bus Services and Community Transport Interim Support Strategy

Report of: Cllr David McVicar, Portfolio holder for Safer Communities and Healthier Lifestyles

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: Simon Ayres, Public Transport Manager

Public/Exempt: Public

Wards Affected: All

Function of: Executive

Key Decision Yes

**Reason for urgency/
exemption from call-in
(if appropriate)** Not applicable

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. This Report is leading towards to an interim transport strategy which is intended to be congruent with the policy strands emerging from LTP3.

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 will be challenging. On 20 October 2010, central government announced the results of its Comprehensive Spending Review. This contained both general reductions in the support finance available for local authorities as well as specific changes to the financing arrangements for passenger transport. In general terms, the Treasury forecasts a phased 26% real term reduction in the central government contribution towards local government expenditure between a 2010/11 baseline and 2014/15. Over one third of this saving is targeted to take place over the first year.

The Department for Transport is planning for a 28% reduction in real term transport-related local government revenue funding over the same period, with an even sharper reduction in the first year. Detailed points include a reduction in Bus Service Operators Grant (BSOG) of 20% in 2012/13, a simplification of grants streams from 26 to 4 from 2011/12, with the majority of funding, including Rural Bus Support Grant, transferring to the main Formula Grant administered by the Department for Communities and Local Government. The only remaining transport-specific revenue grant will be within a relatively small local Sustainable Transport Fund, which local authorities outside London will be invited to bid for. It is estimated that the reduction in BSOG alone will equate to a loss of at least 2.5% in operator revenue, impacting on commercial (unsupported) services, as well as those services that operate under contract to the Council.

The Department for Transport is currently consulting on draft new guidance in respect of concessionary travel reimbursement to bus operators, to apply from April 2011. If implemented this seems likely to reduce overall reimbursement payments to operators outside London by some 16%. Nationally, outside London, concessionary fare reimbursement makes up 12% of operator income. Again, this will impact on both commercial and supported services.

The recommendations provide for potential annual revenue savings estimated at £440,000, 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.

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).

Risk Management:

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. This report includes the results of consultation on the proposed changes as well as an equality impact assessment.

Staffing (including Trades Unions):

There are no staffing implications for Central Bedfordshire Council.

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. The Disability Equality Duty requires local authorities to:

- Promote equality of opportunity between disabled people and other persons;
- Eliminate discrimination that is unlawful under the Act;
- Eliminate harassment of disabled persons that is related to their disability;
- Promote positive attitudes towards disabled people;
- Encourage participation by disabled people in public life; and
- Take steps to take account of disabled person's disabilities, even where that involves treating disabled people more favourably than others.

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 has therefore been developed to ascertain the adverse impacts these proposals may have on different groups of people.

Restricting the use of concessionary passes on dial-a-ride services or introducing a fare will 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 has been undertaken and provides a clear picture of the views of disabled users of these services. The proposed changes reflect this view.

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 are considered for withdrawal.

Summary of Overview and Scrutiny Comments:

- At its meeting on 11 November 2010 the Sustainable Communities Overview and Scrutiny Committee considered the draft Executive report on Local Bus Services and Community Interim Support Strategy. The Committee recommended the strategic approach to Executive whilst reserving the right to query specific details.
- Full details of the recommendations of the Committee are contained in Appendix A

RECOMMENDATION(S):

- 1. to note the results of the consultation with the public, with concessionary pass holders and with bus and dial-a-ride service users in respect of the Council's support for local bus and community transport service provision.**
- 2. (a) that the time before which national concessionary pass holders may board a local bus service and travel without payment be restricted to the statutory 09.30 on Mondays to Fridays, with delegated authority assigned to the Director of Sustainable Communities, in consultation with the Portfolio holder for Safer Communities & Healthier Lifestyles, to authorise exceptions. This will generate annual savings of £65,000.**
(b) that disabled pass holders be exempt from the 09.30 restriction. This exemption will cost in the order of £5,000 annually.
- 3. that concessionary pass holders be asked to pay a fare of £1.50 for each individual trip they make on dial-a-ride services. This will generate an annual saving of £80,000.**
- 4. (a) that the Council withdraw support from the contracted bus services listed in Appendix D, subject to the period of notice specified in the conditions of contract. This will generate an annual saving of £400,000.**
(b) that the Director of Sustainable Communities, in consultation with the Portfolio holder for Safer Communities & Healthier Lifestyles, be given delegated authority to apply the principles and evaluation criteria, as set out in paragraph 9, to future decisions in respect of assessing the suitability of local bus services for public funding
- 5. that further work be undertaken to stimulate and support the community transport sector in Central Bedfordshire in order to reduce social isolation, and to provide mobility options for people unable to use local bus services. This will require an annual investment of £100,000.**

6. **that the business case for introducing a taxi-based 'safety-net' service for rural communities be assessed.**
7. **that grant funding for the three dial-a-ride operators be maintained at its current level.**

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 an outline of the predicted changes in respect of passenger transport financing from central government, together with a summary of the consultation undertaken with the public and with service users, in respect of local bus service, concessionary travel and community transport support.

It proposes restricting the time before which use of concessionary passes is allowed on local bus services and charging for the use of concessionary passes on dial-a-ride services. It further proposes withdrawing support from poorly used local bus services, whilst reinvesting some of the resulting savings in developing community transport services to mitigate against social isolation. Finally, it proposes to assess the business case for a taxi-based 'safety net' service for rural communities.

Background Information

1. A Report on local bus service and community transport was made to the Executive on 28 September 2010. It was decided to consult publicly on the following options:
 - restricting the time before which national concessionary pass holders may board a local bus service and travel without payment
 - restricting the use of concessionary passes on dial-a-ride services and consider whether to introduce charges for their use
 - utilising a combination of accessibility, congestion relief, affordability and subsidy required per passenger as the basis for prioritising support for socially necessary bus serviceswith a report to be prepared for the Executive in December 2010.
2. From the start of the Transforming Transport review the community transport sector has been engaged in discussing options for the future, and particularly the potential for the sector to better integrate with general public transport services. A detailed consultation programme was developed and undertaken during October and November. This included public workshops, surveys of bus users, concessionary pass holders and dial-a-ride users. The workshops allowed in-depth discussions and were targeted at particular groups, e.g. older people, people in rural areas including parish councillors, adults with learning

difficulties, and voluntary and community organisations. A report summarising the highlights of the consultation process and results is attached at Appendix B. This consultation exercise marks the beginning of an on-going dialogue on transport issues with local communities that will assist the Council in adjusting its service support mix in future.

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 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.
4. 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 Recharge	£361,530	£561,999 (£119,000)
	£1,852,717	£1,839,304
Projected Overspend		£13,413

5. On 20 October 2010, the government announced details of its Comprehensive Spending Review. These are described in the Financial section at the start of this report. Combined with other proposed savings and the continued reduction in cost competitiveness between the bus and the car, this means that external revenue will be lost to both commercial and community transport operators, whilst the Council will receive significantly less revenue grant related to transport.
6. The Council therefore faces both immediate and medium term pressures on its Local Bus Budget. In response to the immediate pressures, further analysis has been undertaken with regard to the performance and utility of the services that are currently supported by the Council, using the criteria set out in the previous report - accessibility, congestion relief, affordability and subsidy required per passenger – combined with the results from consulting with the public and with bus users. Appendix D contains the resulting list of currently supported bus services which are candidates for withdrawal, including mitigating measures to cushion the impact where appropriate. The position remains that some services have poor patronage relative to the service costs (subsidy greater than £4 per individual passenger trip and/or an average of fewer than 2 passengers per movement). By making the withdrawals and service changes proposed in Appendix D, the Council will make a full year saving of £400,000.

7. As part of the Council's public consultation on the future of supported bus services, 5,000 FREEPOST questionnaires were distributed within Central Bedfordshire, targeted primarily at users of supported local bus services. 668 questionnaires were returned. Users were asked to indicate which three of a possible ten different types of local bus service they thought the Council should prioritise for financial support. The results show a clear preference for prioritising rural bus services above urban, evening or Sunday services. The results stress the importance of maintaining vital links to hospitals, doctors/dentists surgeries and health centres. The lowest level of public support was for transport to school for non-entitled children (those who would otherwise have no home-to-school transport because they live less than 3 miles away from their nearest catchment school).
8. Although the workshops (and returns of the associated questionnaire) revealed wide variation in terms of the priorities for the Council (whether it should target reducing social isolation above congestion relief, for example), there was a general support for the idea that bus services used by only a few passengers or that require a significant financial support for each passenger trip made, should no longer be supported. 69% of those invited to attend the workshops supported the idea of a £ per trip support measure, with the average level for such support being set at £2.81. 54% supported the idea of a passenger utilisation trigger, with the average trigger being suggested at just under 7 passengers per journey. Were these thresholds to be adopted, the Council would withdraw from supporting 40% of all supported services (31 individual contracts).
9. It is now considered that, reflecting the responses from the public and from bus users, and the engagement with bus operators and with the community transport sector, the best general strategy to providing accessibility and services for the most disadvantaged people in Central Bedfordshire should be:
 - to continue to liaise with commercial bus operators to identify cost-effective Council actions that will enhance their ability to maintain and develop their commercial networks
 - to develop more active support for community transport so that the geographical coverage of social car schemes and community bus services is extended, and the dial-a-ride services extend their remit to include social isolation
 - to withdraw support from the local bus services shown in Appendix D, for the reasons set out in that table
 - to modify other supported local bus services as shown in Appendix D
 - to assess the feasibility of a basic safety-net service provided by taxi and private hire car operators, along the lines of that developed in Cumbria.
10. An assessment of the wards affected by the proposed service withdrawals and modifications is set out in Appendix E.

11. If the proposals in respect of local bus services are adopted, this would result in a saving to the Council of £400,000 per annum starting in 2011/12. However, for the reasons set out earlier in this report, commercial bus service reductions are anticipated in the medium term, which will force the Council to consider how it can mitigate the resulting effect. Moreover, there will be continuing pressure on the Council's Local Bus Budget. Consequently, an assessment has been made of the cost-effectiveness of diverting some savings from withdrawing support for bus services towards the community transport and taxi-based mitigation measures identified above. The recommendation is that £100,000 per annum be ring fenced from savings in local bus support for assistance to groups wishing to set up or expand community transport schemes and for developing the concept of taxi-based safety net schemes for rural communities.

Travel Concessions

12. 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.
13. 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.
14. 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.
15. Table 2 shows the budget for concessionary travel expenditure in 2010/11 and the currently forecast outturn.

	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

16. Consultants have estimated that a decision to restrict travel to journeys starting after 09.00 or 09.30 would save the Council in the order of £65,000. 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.

17. The Council received 912 responses to its postal survey on proposed cutbacks to the discretionary element of the concessionary fare scheme. The results show that 77% of respondents travel at least once a week before 09.30 in the morning, and that their main reasons for doing so are health (doctors/hospital appointments) and to go shopping. When asked about the impact of restricting use of the free pass before 09.30, 58% of respondents said that it would cause no inconvenience, or only minor inconvenience, with 10% claiming that it would cause major inconvenience or expense.
18. 67% of respondents felt that, if use of the pass before 09.30 were to be restricted, this restriction should not apply to people with disabilities. The Council issues different concessionary fare passes to people with disabilities, and it is technically feasible to exempt them from such a restriction. The cost of such an exemption is difficult to quantify, as there is insufficient data on individual pass-holder movements, but given that people with disabilities make up approximately 7% of total pass holders, exempting them from the pre-09.30 ban is likely to reduce the projected saving by £5,000.
19. The recommendation is to draw the current concession back to the statutory minimum, i.e. 09.30 start on Mondays to Fridays, but with a number of exemptions for rural areas where bus services are infrequent. The recommended criterion for exemptions is that free travel should be available on buses departing before 09.30 where (a) there is no other bus during the day or (b) the service operates less than every hour.

Dial-a-Rides

20. The Council gives grant funding to three dial-a-ride schemes in Central Bedfordshire. These are:

<i>Scheme</i>	<i>Annual Grant 2010/11</i>
Link-a-Ride	£101,207
South Beds Dial-a-Ride	£75,059
Leighton Linslade Buzzer	£97,530
Total	£273,796

The purpose of the dial-a-rides is to provide door to door transport for people who are unable to use conventional public transport because of disability or frailty.

21. The inclusion of the dial-a-ride services in the concessionary travel reimbursement arrangements is entirely a discretionary decision by the Council. Relatively few authorities do this, and there is evidence that some of those that do are now considering withdrawal.
22. The September report set out a number of options for the Council:
- 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 pre-scheduling, little vehicle sharing) and those that are more like buses (prescheduled service, vehicle sharing) with only the latter being eligible for concessionary travel.

23. Following discussion with the dial-a-ride operators, the latter option was ruled out as too complex at this point of their development and consultation focused on the option of introducing a fare. The results from the consultation with dial-a-ride users were conclusive. Of 454 valid responses, 95% were willing to pay a fare as a contribution to maintaining service levels. This reflects the fact that the services were identified by the overwhelming majority as being of critical importance to their wellbeing. The median figure for an appropriate fare suggested by respondents was £1.50.
24. The dial-a-rides currently undertake some 55,000 journeys a year. It is anticipated that this level of demand will not fall significantly. The introduction of a £1.50 single fare would therefore provide for savings to the concessionary fare budget of around £80,000.
25. In view of the increasing importance of dial-a-rides in the provision of transport to isolated communities, it is recommended that grant funding for the three dial-a-ride operators be maintained at its current level, although grant support arrangements will be developed that improve cost-effectiveness. (see paragraphs 26 to 30)

Community Transport

26. The Transforming Transport review included a detailed examination of the community transport sector and consultation with the groups involved. It concluded that there is significant opportunity for the sector to play a greater role in passenger transport provision within the district, and that the Council should take action to stimulate and facilitate the sector's growth. This has the potential to improve cost-effectiveness by, on the one hand, reducing the dependency on grants, whilst on the other hand, capturing a greater contribution from the community itself in the form of volunteering. Examination of best practice arrangements in other, predominantly rural, authorities has confirmed the viability of this approach.
27. The recent consultation supported the above analysis in general terms, with a confirmation that the community could play a greater self-help role. The community buses that responded confirmed the potential for expansion of their role and this has also been discussed with and adopted positively by the dial-a-ride groups as part of the development of the Council's community transport strategy.
28. A programme of initiatives is being developed to implement the above, with the particular objectives of:
- supporting the growth of social car schemes so that they provide a more comprehensive geographical coverage

- extending community bus coverage and, where appropriate, supporting the establishment of new community bus services
- extending the remit of the dial-a-ride services to cover social isolation
- integrating the dial-a-ride and community bus operators within the authority's contractual purchasing for statutory (education and social care) purposes so as to obtain better value from packages of work.

29. The programme includes:

- volunteer development and recruitment
- training and technical standards improvement
- social enterprise support for new scheme start-ups
- small development grants
- improved publicity, marketing and a locally identifiable brand

It is estimated that an investment of £100,000 per annum would be required for this, but that this would be cost-effective in producing lower cost journeys for socially isolated and disadvantaged individuals and groups within Central Bedfordshire.

30. As a further measure to reduce social isolation, the review has examined the potential of the taxi and private hire sector to provide services. This has the advantage of a lower cost base and the fact that it is only paid for when used. There are several different service models successfully in operation in other authorities which have been reviewed. It is intended to assess the business case for a 'safety-net' service along the lines of Cumbria's 'Rural Wheels' service. This has the merits of allowing for comprehensive geographical coverage, maximising coordination and quality standards (it deploys taxis already on contract to the authority), ease of use (a card system is deployed), whilst enabling the authority good budget control.

Conclusion and Next Steps

31. 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.

32. An assessment of the business case for introducing a taxi-based safety net service for rural communities will be undertaken.

Appendices:

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

Appendix B – Highlight Report on consultation

Appendix C – Equality Impact Assessment

Appendix D – Proposed Bus Service Withdrawals

Appendix E – Wards Affected by Proposed Bus Service Withdrawals

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