

Cabinet

Dorset County Council



Date of Meeting	24 February 2016
<p><u>Cabinet Member(s)</u> Peter Finney – Cabinet Member for Dorset Highways</p> <p><u>Lead Director(s)</u> Mike Harries –Director for Environment and the Economy</p>	
Subject of Report	Rural Bus Services Review
Executive Summary	<p>The review of public transport in Dorset aims to work with commercial providers to ensure the viability of principal inter-urban routes, whilst removing all subsidy and support from uneconomic routes and seeking to ensure that community based and led services are in place or developed to meet the travel needs of rural communities.</p> <p>Through the Medium Term Financial Plan (MTFP) the Cabinet has agreed that, based on the 2015/16 budget, the revenue budget for supported public transport services will be reduced by £500,000 to £2.2million in 2016/17. A review of supported bus services has been undertaken to enable savings to be made from April 2016.</p> <p>This review contributes to the County Council’s Holistic Transport Review (HTR), The objective of the HTR, as a key part of the Forward Together programme until April 2017, is to achieve savings of £1.5m across the range of the County Council’s passenger transport activities,</p> <p>The preferred option is Public transport support is withdrawn for services that operate one or two days a week; and, X12 route modified to remove Blandford to Salisbury service. The total contract price of the Market Day services is approximately £295,000. Withdrawal of support will lead to cessation of services. Many of Dorset’s villages will no longer be served by public transport. X12 is the County Council’s most expensive contracted service. Withdrawal of the Blandford to Salisbury section of the</p>

	<p>route will reduce resource requirement by one third. Financial analysis is given in Appendix 2 (exempt).</p> <p>The preferred option was selected because there much less impact on the County Council’s economic growth priority. Services that will be withdrawn provide primarily for social needs which in many cases can be better provided for by community transport services. Information gathered through public consultation will be used to support further development of community transport in Dorset.</p>
<p>Impact Assessment:</p>	<p>Equalities Impact Assessment:</p> <p>The loss of bus services can significantly impact of those affected. Negative impacts have been identified for younger people, for disabled people and for older people, particularly older women, as people in these groups are more likely to be users of public transport.</p> <p>The routes under review provide limited access to medical appointments; however loneliness resultant from rural isolation can be a significant cause of poor health.</p> <p>Dorset Travel will continue to engage with local communities and with existing community transport schemes seeking to further develop services and to prioritise those areas of unmet needs.</p> <p>A full Equality Impact Assessment is appended to this report.</p> <hr/> <p>Use of Evidence: Public consultation from 11 January 2016 – 8 February 2016 Recent patronage figures for services under review. Contract prices for services under review.</p> <hr/> <p>Budget: The 2015/16 budget includes a total revenue spend of £2.7m on supported public transport services. The Cabinet has agreed that this budget is reduced by £500,000 in 2016/17, and a further £1million in 2017/18, with further reductions likely beyond that following the Local Government settlement announcement for the next four years.</p> <hr/> <p>Risk Assessment:</p> <p>Having considered the risks associated with this decision using the County Council’s approved risk management methodology, the level of risk has been identified as: Current Risk: High</p>

	<p>Residual Risk : Medium</p> <p>Key risks are public and political opposition to proposals, and failure to reach agreement with the operator. Withdrawal of public services can impact on resource efficiency leading to higher tender prices for other contracted services. Therefore there are risks that budget savings could be significantly reduced.</p> <p>A comprehensive communications plan, including public consultation, has clearly identified alternatives to services under review.</p> <p>Early engagement with the operator has identified a willingness to work together towards savings targets.</p> <p>Schools contracts are continually reviewed to maximise efficiency.</p> <p>Other Implications:</p> <p>None</p>
<p>Recommendation</p>	<p>That the Cabinet approves the withdrawal of funding support for public transport routes as described in Appendix 1.</p>
<p>Reason for Recommendation</p>	<p>Improving efficiency in the delivery of passenger transport services will help support our Corporate Aims – of Enabling Economic Growth and Health, Wellbeing and Safeguarding through providing or supporting a more extensive community transport network.</p>
<p>Appendices</p>	<p>Appendix 1 – Routes under review with patronage details. Appendix 2 - Contract prices. NOT FOR PUBLICATION – Exempt information Appendix 3 – Equalities Impact Assessment Appendix 4 – Consultation Analysis</p>
<p>Background Papers</p>	<p>DCC Passenger Transport Strategy</p>
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1. Background

- 1.1. The County Council provides financial support to uneconomic local bus services in order to advance economic and social objectives. Contracts for supported bus services in Dorset currently incur a total revenue spend of £2.7million. There is no statutory obligation to provide these services and many other County Councils have previously withdrawn all funding. Through the Medium Term Financial Plan (MTFP) the Cabinet has agreed that, based on the 2015/16 budget, the revenue budget for supported public transport services will be reduced by £500,000 in 2016/17 and a further £1million in 2017/18.
- 1.2. The majority of routes are provided under the T102 contract. The contract period is five years, terminating July to September 2016, but with an option to extend by 1+1 years with the agreement of both parties. The Cabinet has approved the negotiation and agreement of contract extension, which will be subject to an evaluation of routes against business needs. Further savings beyond the scope of this review will be available as the contract ends.
- 1.3. This review contributes to the County Council's Holistic Transport Review (HTR). The objective of the HTR, as a key part of the Forward Together programme until April 2017, is to achieve savings of £1.5m across the range of the County Council's passenger transport activities, Mainstream schools, Special Educational Needs, Adults' Services, and supported public transport services. Savings will be made through a combination of rationalisation, optimisation and integration, whilst ensuring our statutory obligations are met and maintaining service quality.
- 1.4. A Passenger Transport Strategy (PTS) has been agreed that seeks to transform the public transport network within budgetary constraints, whilst delivering corporate outcomes and meeting the objectives of the Local Transport Plan. For the rural areas the PTS envisions a core network of high quality interurban routes linking the market towns, accessed from surrounding villages by demand-driven community transport offers.
- 1.5. A review of supported public transport has been undertaken to identify routes where support could be withdrawn with least adverse impact upon corporate priorities and in accordance with LTP and PTS objectives. The review is supported by a robust consultation seeking detail on the impact of route rationalisation on service users. The consultation also seeks to increase awareness of community transport service, increase numbers of volunteer drivers for existing schemes, and raise interest in starting up new schemes where gaps exist, aligning with the corporate principle of encouraging greater independence of Dorset residents.
- 1.6. The review has been undertaken to substantially achieve the (£0.5M) budget savings agreed for 2016/17. Further savings will be sought in year as opportunities arise. Therefore a further review will be required to achieve savings (£1.0M) agreed for 2017/18.

2. Options for Change

- 2.1. **Option 1** – *The do-nothing option. The public transport support budget would not be changed for 2016/17.*
 - 2.1.1. This option represents no change to Dorset Travel's 2016/17 public transport support budget in comparison with 2015/16. The extant rural bus network would be maintained. Development of the community transport network would continue as in previous years. Current levels of rural isolation would be contained and passengers would not need to adopt new ways of travelling.
 - 2.1.2. Increased budget reductions would be required in 2017/18 to meet the shortfall. This would represent a step-change in public transport support that would significantly affect the route network. A phased approach to network transformation is beneficial for passengers and would enable Dorset Travel to learn and improve at each phase.

2.1.3. There is a risk of unstructured in-year network changes to meet budgetary demands with this option. Unstructured network changes represent a significant risk to schools routes which share resource with public transport. However, the additional time for route analysis, operator engagement and development of the community transport network may help to further mitigate impacts on bus users.

2.2. Option 2 – Public transport subsidy is withdrawn for “Market Day” services that operate one or two days a week; and X12 route modified to remove Blandford to Salisbury service.

2.2.1. Market Day services operate off-peak once or twice a week linking sparse rural populations with market towns. These services provide access for shopping and leisure, and are not generally used for education, employment or training journey purposes; journey types that are important economic drivers. Market Day services are predominantly used by older people using concessionary passes. Reimbursement rates for concessionary travel are significantly below ordinary fares. Income from these services falls short of operating costs even when buses are full. These services can provide a social occasion for some and withdrawal may lead to (the perception of) increased rural isolation. Community transport offers are well placed to provide a flexible and responsive alternative. The total cost of services under review is £295,000, this option will therefore contribute substantially to a reduction in the public transport support budget.

2.2.2. Service X12 is the county council’s most expensive service, providing six return journeys per day between Weymouth and Salisbury via Blandford. Passenger demand on the Blandford to Salisbury section is very low and cannot justify the service provided. Operating the Blandford to Salisbury section accounts for approximately half of route mileage and one third of resource requirements. Substantial savings can be made by withdrawing this part of the service, maintaining current service levels between Blandford and Weymouth, with an appropriate alternative for students and commuters travelling from Pimperne and Sixpenny Handley being necessary. The financial impact of this option is given in Appendix 2 (exempt).

2.2.3. Market Day services are provided using resources that operate schools contracts. There is a risk that tender prices for schools services may rise due to poorer resource utilisation by bus companies.

2.3. Option 3 – Public transport subsidy withdrawn for services X11 and X12.

2.3.1. X11, connecting Dorchester with Sherborne and Yeovil, and X12, Weymouth to Salisbury, are key interurban routes. The removal of public subsidy for these services would facilitate a reduction of public transport subsidy greater than £500,000. However, these services operate at peak times and carry substantial numbers of students and commuters. Withdrawal of these services would result in negative economic impacts and would be contrary to the PTS, which proposes improvement to interurban services. Savings achieved would need to be set against the increased cost of providing travel for entitled scholars.

2.4. Option 4 – Public transport subsidy reduced proportionally across all supported routes.

2.4.1. This option considers an unstructured approach to budgetary reduction in public transport support, included to test the impact of an unstructured approach. Whilst it is feasible to remove £500,000 from the public subsidy budget in this way, it would not be practical due to resource implications.

2.4.2. A reduction of subsidy across all services would be contrary to the recently approved PTS, since the result would be a degraded service on interurban routes affected and loss of economically important peak journeys, but little incentive to develop community services.

3. Preferred Option

- 3.1. Based upon the analyses undertaken and summarised above, the preferred option for 2016/17 is **Option 2: Public transport subsidy removed for services that operate one or two days a week; and, X12 route modified to remove Blandford to Salisbury service.** The routes taken forward for review and public consultation together with recent patronage figures are given in Appendix 1. Appendix 2 (exempt) provides details of current contract prices. Market day services that are no longer supported will be withdrawn.
- 3.2. This option is deemed to offer the most feasible, value for money solution to the reduction of public transport support and will lead to withdrawal of services as they cannot operate commercially. Many of Dorset's villages, as identified in Appendix 1, will no longer be served by public transport. Dorset has a well-established community transport network that offers a realistic alternative to rural bus services and can mitigate increased rural isolation. The targeting of rural services that operate once or twice a week minimises potential impacts on the Dorset's economy and access to employment, education and training is largely protected.
- 3.3. This option minimises risks. Budget reduction targets are likely to be met and an unstructured network transformation is avoided. The risk to scholars' transport is significantly reduced against an unstructured approach to budget reductions. However, parallel discussions with the operator are underway that will enable further rationalisation of schools transport. The outcome will be that fewer schools services operate, and that more scholars travel on public services, improving viability of these services that are also available for commuters and shoppers/social users.
- 3.4. The services identified, together with many others, are contracted until July 2016. Changes to be implemented from April 2016 are subject to negotiation and agreement with the operator. Further savings will be available, subject to a review of services, as the contract ends.

4. Implementation

- 4.1. To maximise in-year savings route changes must be implemented as early as possible. The operator has requested an implementation date of 11 April as this is the start of the school term and many of the services under review are operated with resources that are also used for school transport.
- 4.2. The Traffic Commissioner requires 56 days notice for the deregistration of public bus services. In order to meet the 11 April date for implementation, notice was required to be given by 15 February. In the event that the Cabinet does not approve the services identified for the removal of support, services may be reregistered. The Cabinet Members for Environment and Economy has approved this approach.

5. Consultation

- 5.1. The review includes a robust consultation seeking detail of the impact of route rationalisation on service users. The consultation was undertaken from 11 January to 8 February. The end date was essential to enable the 11 April 2016 implementation. The consultation has been supported by a detailed communications plan intended to maximise visibility in mitigation of the short consultation period. In order to meet committee deadlines, analysis of consultation responses has been circulated separately as an additional appendix to this report.
- 5.2. In addition to establishing the impact of changes on bus users, the consultation seeks to raise awareness of community transport schemes, increase availability of volunteer drivers for existing schemes, and raise interest in developing new schemes.
- 5.3. In general terms the overwhelming majority respondents to the consultation have been aged over 65. The key impacts noted have been potentially increased rural isolation and difficulty in meeting medical appointments. In most cases community transport services are likely to be more appropriate to these needs than scheduled local buses operating once or twice per week. There is also a significant response from bus users citing the importance of service X12.

6. Community Transport

- 6.1. “Market Day” services proposed for withdrawal operate as registered public services and must operate in accordance with the published timetable regardless of demand. In contrast, community transport is entirely flexible; able to respond to community demands in respect of times and destinations and frequently offering a door to door service. Examples are the various *community car* schemes promoted by the County Council, community minibus services operated under charity status by *Dorset Community Transport* (DCT) and by *North Dorset Community Accessible Transport* (Nordcat), and the various *Dial a Ride* services provided by Dorset Travel and others.
- 6.2. The Partnership for Older People Programme (POPP) currently funds 23 community car schemes in Dorset. Each scheme is run by community volunteers using their own cars for the benefit of the community. The umbrella name is Neighbourcar, but communities decide the name for each scheme, eligibility, area served and the journey purposes it can provide for, for example medical trips, shopping or social gatherings. The average cost of journeys is 50p per mile and service is subject to the availability of volunteers.
- 6.3. Nordcat provides services primarily for elderly, disabled, and socially excluded people. The service enables access to shopping, social occasions, medical appointments, operating in different areas each day of the week. DCT provides day trips and group travel and also contracted local bus services and schools transport. Both Nordcat and DCT are not-for-profit organisations.
- 6.4. The County Council provides Dial a Bus services using its Adults’ Services fleet. The primary use of these vehicles is home-to-centre transport for day centre clients. When not required for this purpose vehicles can be used at marginal cost for a range of purposes, including Dial a Bus, where different areas are served on different days.
- 6.5. Many other community groups in Dorset operate transport services for a variety of purposes and are listed in the Dorset Community Transport Directory. The important ways in which community transport differs from scheduled local bus services is that services must be booked in advance, usually the day before, and in most cases concessionary fares are not available. Community transport operates on a not for profit basis and focusses on social outcomes. It cannot compete with scheduled local bus services where people are travelling during peak times for employment and education.

Mike Harries
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