

# **REVIEW OF SUBSIDISED BUS SERVICES IN NORTH DORSET**

## **Committee Members:**

D Milsted (Chairman)  
G A Miller (Vice Chairman)  
Mrs A Burch  
N Cook  
Mrs D Croney  
D C T Fox  
Mrs N Hickish  
Mrs S Hunt  
A C Kay  
Miss T Lever  
N Mason

## **Consultees:**

Cllr D Beer, District Councillor and Gillingham and Shaftesbury Transport Forum  
Cllr M Cox, Portfolio Holder, Economy  
Mr D Dawkins, Head of Public Transport, Dorset County Council  
Mr P Impett, Principal Public Transport Co-ordinator, Dorset County Council  
Mr D Harris, Peter Brett Associates, Consultant for Dorset County Council  
Mrs H Reed, Community Transport Manager, NORDCAT  
Mr I Gray, Manager, Damory Coaches  
Mr M Callow, Commercial Manager, Wilts & Dorset  
Mr R Brown, Shaftesbury & District Motor Services Ltd  
Cllr J Sewell, West Dorset District Council  
Mr P McStraw, Head of Revenues and Social Support, Purbeck District Council

The Committee would like to thank all those who have taken part in discussions and provided evidence to assist with this review.

## **Introduction**

Following a report in a local newspaper of cuts to local bus services, Members agreed that they would like to look into the issue of local bus services in some detail.

A number of people were invited to take part in the review including the County Council, NORDCAT and local bus operators. The information received from the consultations forms the basis of the report and the Policy Review Committee wish to bring the detail of the evidence to Cabinet's attention.

## Conclusions

- Members agreed there should be a Dorset County Council Public Transport Strategy to inform the policy and operation of the Integrated Transport Unit.
- Dorset County Council should advise the Committee when it has draft proposals under Phase 2 and Phase 3 so that the Committee, and other North Dorset District Council Members and Officers, can advise on their implementation in the District.
- Members expressed a degree of scepticism that a single vehicle could be made capable of sequentially providing a combined School Run – Day Care – Public – School Run – Day Care service, given the disparate needs and abilities of the various sorts of passenger.
- Members note that the savings claimed from the proposed closures of various Dorset County Council Day Centres do not currently take account of increased expenditure in bus travel for existing Day Centre service users.
- Members were concerned to learn of the possibility that the Slipstream Scooter Project may be threatened with closure and would urge Dorset County Council to investigate ways of supporting it.

## Information/Evidence reviewed

### **Mr P Impett, Senior Public Transport Co-ordinator, Dorset County Council, Peter Brett Associates and Helen Reed, NORDCAT – 1 August 2007**

Public transport is provided in 2 ways; by commercial enterprise and services that receive public financial support via the Dorset County Council. The County Council budget is in the region of £1million, with a further £900,000 via a Rural Bus Grant which is ring-fenced by Government for public transport purposes.

In 1980 bus services were deregulated and non-commercial routes were either put out to contract or were de minimis contracts. Many District Councils used to contribute 15% of the cost of these services until the Rural Bus Grant referred to above came in to force. This Grant enabled a few additional routes to be added to those provided by commercial operators which helped improved services. For a time, the County Council supported certain experimental evening routes to Bournemouth and Poole and also trips to larger shopping towns.

From the late 1980s onwards, commercial operators failed to make the money required to keep these services going and sought financial contributions from the County Council to continue running particular routes which were costing more and more to provide. At the same time, 3 District Councils within the county, including North Dorset, withdrew the 15% financial contribution which affected the services that were in place prior to the Rural Bus Grant being given.

A number of services had been put out to tender but operators had declined to apply. Operators have approached the County Council saying that many routes were proving not to be commercially viable and sought funding from the County who were able to support a fragmented service. The test if a service is commercially viable is very complex. Information on use would be obtained and conclusions were based on this with, for example, comparisons on the previous year's usage. The County Council would try running the service themselves but it was only possible to do this once or twice so any evidence would only be anecdotal.

Timetables were set by operators. The County Council were able to negotiate these with operators but this was often very complex. There is also the difficulty of European Regulations on drivers' hours which have to be adhered to if a journey is in excess of 50km. If the journey is below 50km the UK Regulations apply which aren't so onerous.

Residents needed to have confidence in services otherwise they wouldn't be inclined to use them and they needed to be adapted to ensure they linked in to other transport services at times when people needed them. It was suggested that communication of services needed to be improved as timetables often went missing or were not updated when services changed. There had also been a problem last year with the printing of the timetables with a number of errors which had caused problems.

As well as the public needing to be confident in the services, it was also clear that operators needed the same confidence being assured that services would not be lost as the capital cost of coaches was huge and it was becoming increasingly difficult to recruit drivers. The reason for this was that they all had to obtain a Public Service Vehicle licence and in addition they would soon need to undertake a Certificate of Professional Competence (CPC) annually which included 35 hours of classroom teaching. Many existing drivers had suggested that they would cease driving once the CPC requirement came in to force.

Additional funding became available through the Rural Bus Challenge and in 2001 Dorset County Council made a successful bid to the government for funding to set up an accessible transport scheme in North Dorset. A sum of £462,000 was awarded over 3 years and this was used to set up a Dial-a-Ride service, NORDCAT, with buses based in Blandford, Gillingham, Shaftesbury and Sturminster Newton. NORDCAT minibuses are wheelchair accessible and can carry up to 15 passengers. There is an annual registration fee of £2.00 to cover administration costs. The buses are also available for groups to hire. The registration for this is £5.00 per year. However, NORDCAT has a limited number of vehicles and cannot offer a daily service to areas - it can only go to specific areas on specific days.

NORDCAT currently runs group trips for example to hospices, clinics and routes from the villages into all the main market towns. However, these are not run on market days because other companies offer a service on these days and NORDCAT is trying to provide a service where one doesn't already exist. A service using a volunteer driver targeted at the young people of the district taking them swimming had been trialled, partly funded by Sturminster Newton Town Council. However, this had limited success and the Town Council funding was withdrawn due to lack of use.

In addition to the 3 vehicles purchased via the Rural Bus Challenge funding, NORDCAT now has an additional 10 buses. A service is offered to Kingston Maurward College and that is partly funded by the Learning and Skills Council.

NORDCAT is licensed under what is known as a Section 19 permit which prevents the general public using the vehicles. That is the reason for the £2.00 per annum administration charge which, when paid, enrolls people as members of NORDCAT and they can then access the services. NORDCAT is not intended as a form of public transport but as a compliment to it. The intention is to provide a community service and NOT a commercial service and NORDCAT is currently in the process of establishing a social enterprise that will allow a trading arm that is able to make a profit which will then be transferred to the charitable arm of the organisation.

A website has been developed ([www.gettingabout.co.uk](http://www.gettingabout.co.uk)) that can help residents to plan their journey on public transport from one destination to another. Whilst this is very effective at identifying what is available, it also shows that there are many gaps in the transport system.

Dorset County Council has engaged Peter Brett Associates as consultants to look at services in the County. The brief was to collect information from operators on how services were used, passenger flows and pricing. This information would then be analysed to identify if a more user-friendly service could be provided. The County Council had put in place funding for a period of 6 months (June to December 2007) to temporarily cover lost services. In order for these to be provided by commercial operators it would be necessary for the tendering process to be undertaken by October. This was a tight schedule between the consultant's findings being presented and options being agreed, and the end of the funding from the County Council in December 2007.

The findings of the consultants were being presented to County Council officers on 2<sup>nd</sup> August 2007. It was recognised that recommendations might be suggested that were unaffordable due to limited resources. The options would cover an amended conventional network with fixed times, a completely flexible approach to meet customer needs along the lines of the Door to Dorset scheme and a combination of the two. The County Council would finalise a number of options taking account of the recommendations of the consultants and wide consultation would then be undertaken to seek views on the options available. Consultees would include community groups, passengers, surgeries, operators and district councils. Responses would be collated and a final proposal drafted.

Any service implemented would be subject to regular review by user groups to ensure it was providing what was needed.

The possible options seem to reflect the Door to Dorset bus services which were introduced by the County Council as a partial response to the challenge of rural accessibility facing the county. The County Council has invested in modern low floor buses and is using an increasing mix of operators to provide different solutions for local problems. The Door to Dorset service falls in to two categories – flexible and conventional fixed bus services. The flexible bus services operate on a ‘demand responsive’ basis and have part of their journey available on a bookable basis. The passengers on the sections that require pre-booking call the appropriate number to book their journey. These services are available to all passengers and will vary their routes according to demand. The conventional fixed service operates as any other bus service with passengers able to board the bus at stops according to a published timetable.

In addition, the County Council are looking at forming an Integrated Transport Unit (ITU) to obtain better value services investigating how all forms of County controlled transport could be utilised more efficiently and effectively. The intention was to link all forms of transport such as school transport, Adult Services etc looking at how the vehicles from one service could be utilised by another when free. The ITU would also be investigating establishing a partnership of smaller operators outside of the County Council to see if there was a possibility of working together to provide an improved service.

There is a Bill currently passing through Parliament which may allow future cross subsidy enabling the more profitable routes to support those considered to be less financially viable.

The County Council officers advised that they had advocated collection of s.106 Agreement monies to support local transport services but this had met with very limited success. Officers would like to see this funding route used more fully to bring money forward from developments within the District.

## **The view of Operators – 12 September 2007**

Mr Gray, Manager of Damory Coaches, explained that almost all of the services run by his company were subsidised. He said it was essential for others to understand that the rural bus network operated around the school journeys which formed the basis of the business, but he was interested to learn of passengers comments on time-tabling bearing this proviso in mind. He felt that the County Council were keen on demand responsive services such as NORDCAT and although these had a role to play he felt it should be combined with a regular time-tabled service too. Mr Callow of Wilts & Dorset felt that the rural nature of Dorset would lend itself to voluntary/community services to fill the gaps between services offered by commercial operators.

Mr Gray also felt it was important for operators to look at making each service as adaptable as possible to meet local needs. He gave an example of a service that

Damory Coaches used to run from Brokenhurst to Kingston Maurward College. When they were operating this service non-college passengers were allowed to travel on the coach but since it had been taken over by another provider this had been stopped.

Mr Gray made reference to the changes in the procurement process proposed by the County Council and felt that the requirements may limit the number of operators who would be wishing to tender for the services.

Mr Callow of Wilts & Dorset explained that as his company were larger they tended to concentrate on the bigger routes whilst the more local companies serviced the more rural routes. He explained that in the rural areas the situation was the same for his company as the smaller companies in that the school routes were the primary source of business whilst all other routes were secondary.

Mr Brown of Shaftesbury & District Motor Services said that his business was also built around school transport with other services fitting in with these. Some were operated commercially whilst others were subsidised by the County Council. He did express concern about a very successful route that his company had taken on between Shaftesbury and Gillingham. Within 6 months of the contract commencing the County Council said that they wished to renegotiate the fee as it couldn't now afford it on the previously agreed rate. He felt that for operators in the County further doubt had been cast on the future of subsidised routes as the County Council had engaged consultants to look at all services. This had created tremendous uncertainty in the business.

Mr Callow agreed that operators were concerned about what consultation the County Council would undertake on the consultants' findings. His view was that Dorset County Council covered a large area but only had a £2m budget for subsidised bus services which was a small sum for a large rural area.

He also explained that the County Council were reviewing how they procured services, and felt that the procurement team needed to work more closely with the transport team to ensure that systems put in place were workable. The requirements of the procurement team could prevent the smaller operators from tendering for some of the routes that the larger operators might not feel were commercially viable for them. Mr Callow explained that in other Council areas approximately 50% of the procurement criteria were not financial eg was based on the number of additional buses that a company had. He felt that this was not a good basis for procurement. Operators would need to register for the new procurement system in February 2008 and it would be effective in early 2009. The new procurement system was required due to EC regulations and it may mean that only larger operators would be able to tender for services and some of them might not be interested in the routes on offer. Mr Callow explained that the latest requirements for data capture and training on routes in excess of 50km could be avoided if contracts were made smaller and more rurally focussed. However, the County Council chose to bundle them in to larger packages. Other authorities eg Wiltshire County Council, used a mix of smaller and larger contracts and this worked very well.

All operators felt that there was a relationship breakdown between operators and the County Council. They felt that more forward planning was needed and improved communications. The view was expressed that the quality of services provided seemed to be reliant on the personnel in place rather than strategies or systems that might be in place.

The operators discussed the concessionary travel scheme. Mr Callow advised that Wilts & Dorset were only reimbursed 50% of the fare when an OAP travelled so when working out statistics of numbers travelling each concessionary travel passenger was counted as ½. The concern was that when analysis was undertaken if a route was shown not to be well used then it might be lost.

It was clear from the evidence given to the Committee that whilst there were a number of Transport Plans in place at Dorset County Council there was no overall Public Transport Strategy. It was clear that this was needed to direct future service provision in an efficient and cost effective way.

### **The view of Mr David Dawkins, Head of Public Transport, Dorset County Council – 5 December 2007**

Mr Dawkins, the Head of Public Transport at Dorset County Council (DCC), advised Members that the 3 strands of passenger transport at DCC were being brought together under 1 directorate with effect from 1<sup>st</sup> April 2008. There was a £16m budget for all three strands with public transport currently having the smallest share amounting to about £1.9m.

With Dorset being a very rural area, public transport was a priority and it was hoped that the new integrated service would enable additional resources to be directed to this area of work the cost of supporting which was rising steadily.

DCC published accessibility targets for rural areas and Mr Dawkins confirmed that they were currently performing ahead of these. A demand responsive scheme had been trialled resulting in the Door to Dorset Scheme. This service had been contracted out to smaller local operators. It was hoped that the proposed new network could be taken on by them in the future in a package of smaller services.

Mr Dawkins was pleased to report that DCC had provided a “mini-service” to replace some of the routes that had been lost in the North Dorset area and had undertaken a review trying to source new operators. Whilst providing the replacement services they had managed to take out the bulk of inflation costs on bus services and it was hoped that by integrating the 3 strands of transport internally further savings could be achieved by redesigning the whole network. The current stock of vehicles would be replaced on a rolling programme to provide multi-use vehicles that could be used by care services, schools transport and backfill for public transport and would be chosen to meet the needs of the newly designed routes.

The new internal staffing structure at DCC was nearly complete and an Integrated Transport Unit (ITU) comprising 50 staff would be up and running by 1<sup>st</sup> April 2008.

Mr Dawkins explain the role of Peter Brett Associates who were employed by DCC to undertake some data collection work as there was insufficient capacity internally to do this piece of work which was very technical and required expertise. The County wanted to look at areas receiving large amounts of subsidy in order to possibly re-engineer services to achieve better efficiency. The consultants had been told not to present recommendations to the Council as officers felt that they had the local experience to deliver appropriate solutions. DCC had already managed to reduce revenue and return many of the subsidised bus services back to the commercial market and the 1<sup>st</sup> bus services they would look to replace would be those that had previously been lost.

The work on the public transport system would be carried out in 3 phases. The 1<sup>st</sup> phase would be to introduce services to match those previously lost so consultation would not be undertaken. Services were lost when Wilts & Dorset decided to re-engineer their services as they wanted to concentrate on the conurbations which resulted in fewer rural services which are more expensive for them to provide. DCC stepped in with funding to try to retain some of the lost services on a temporary basis whilst looking to resolve the issue by developing new services. The Council were about to contact all operators requesting prices for the replacement routes. With regard to the design of these routes, this was currently being led by DCC but Mr Dawkins said that the operators had the best knowledge so would be consulted on the design of the replacement routes.

Phase 2 would be to re-engineer services, including Service 184, which had been heavily subsidised for many years before being removed and the 3<sup>rd</sup> phase would involve designing new services in consultation with local councils and using information from Peter Brett Associates.

At the present time, the bulk of the budget was spent on the school routes. It was intended that in the future packages of work would be offered including the home to school contracts. If appropriate DCC might make a capital investment towards operators' vehicles to assist them in delivering these contracts. It was felt that Dorset lent itself very well to a service where the school run was completed first of all and then the vehicle was used to deliver other services.

There were performance targets in the Local Transport Plan and DCC were 25% ahead of the 'stretch' targets. If these were met DCC would be given reward funding that would be ring-fenced for transport matters.

Mr Dawkins said that the Shaftesbury/Gillingham area had been highlighted as most in need of investment and to enable the 1<sup>st</sup> phase to be implemented officers would recycle the revenue budget to enable all lost services to be replaced. They would also bring forward capital for operators who wished to tender using DCC procured vehicles. The interventional services that DCC had implemented were actually an improvement on the lost services and had been

introduced within the base budget with 0% inflation. Officers were confident that this could be replicated elsewhere.

Mr Dawkins spoke about the procurement methods that would be adopted in the future. Previously tenders were sought on a route by route basis. However, in future operators would be invited to tender for a package of services. Operators had been canvassed on this new method of procurement and DCC had received a fairly good response. Under the proposed new partnership procurement arrangements, operators would be more involved in designing routes together with the Council officers who had the appropriate experience.

He also advised Members that a number of vehicles needed to be replaced. £1.8m would be used to replace vehicles that should already have been replaced and these would be a range of vehicles to meet the packages that would be on offer. There was a need to improve the quality of vehicles as well as the service offered.

Mr Phil McStraw, Head of of Revenues & Social Support at Purbeck District Council said that similar problems were experienced in that district despite their proximity to the conurbations. Purbeck were keen to explore young people's travel concessions and other types of transport and wanted to be involved in community transport initiatives. He was keen to learn how rural bus subsidies were spent on redesigning routes and what opportunities would arise for local input and local council participation. He felt that the introduction of the concessionary travel schemes across the country must have made some routes very profitable and felt that this should be taken into account when redesigning routes in tranches 2 and 3.

Whilst Mr Dawkins recognised the benefit of the concessionary fares schemes, implementation across the county was inconsistent. He felt that if the schemes were managed by DCC the outcome might be different. As the scheme moved to a UK-wide system he felt that it was more likely to move towards a county council management system or to another body experienced in public transport. Mr McStraw suggested a body for managing this could be established by the Dorset Strategic Partnership.

Cllr Milsted pointed out that the grant provided by the Government had proved sufficient in North Dorset. This was very different to the experience of Purbeck District Council who had a £200,000 shortfall.

Cllr Jacqui Sewell of West Dorset District Council said that similar problems were experienced in her area to those already discussed. With regard to the proposed new routes she also felt that customer input was important and also that careful consideration was given to the type of vehicles purchased to ensure that they could access what were sometimes very narrow roads in rural areas.

Mr Gray of Damory Coaches agreed with the integrated approach to public transport that DCC were proposing. He did express concern that there had been very limited consultation with his company to date but advised the Committee that he had sent his own views to DCC. He also expressed concern about the way in

which the concessionary travel scheme was currently organised. Mr Dawkins said that official consultation had not yet taken place but in the near future the Council would be seeking prices and options from all operators.

Questions were asked about how other community transport schemes fitted in with the county public transport arrangements such as the Scooter Scheme and NHS Patient Transport. Mr Dawkins explained that there had been a rapid growth in community transport schemes after deregulation. DCC had not invested heavily in these areas but recognised that they provided essential services where there were gaps in public transport. However, it was hoped that the new ITU would result in less gaps that needed to be filled.

Members all expressed the need that information about services and how to use them should be much better than it had previously and, in particular, information should be reliable. Mr Dawkins advised that this weakness had been recognised and said that this was because he was working with a small team and he had chosen to put resources towards fixing problems. However, this had been at the cost of publicity and promotion. However, he assured Members that the budget for marketing had been doubled for the next year and that the ITU had a specific post to work on this area. Once the final routes had been designed for the 1<sup>st</sup> phase of work there would be an initial wide distribution of timetables which would also be available on demand and through the Council's website.

There was a brief discussion on the design of school routes which was undertaken by the purchasing authority. There had been problems in the past where an operator had handed some contracts back shortly before the start of a new school term and then agreed to take them back at an increased cost. Mr Dawkins advised the Committee that DCC was now increasing its own fleet of vehicles which was proving cheaper than the market price for some routes. It was possible that more of this might be done to obtain a stable purchasing environment as contracts had a very short notice period.

The Committee discussed the possible impact if the proposed day centre closures went ahead. Mr Dawkins said that the different County Council Directorates would work together and additional costs would be calculated to provide transport for those needing to travel a greater distance to alternative day centres. Any additional costs would then need to be factored in to any potential savings. Cllr Milsted felt that it would be very useful if Mr Dawkins were able to attend the DCC Community Overview meeting of 17 January 2008 looking at the issue of the Day Centre closures as his input could be invaluable.

With regard to the issue of differing UK and European Regulations in respect of driving restrictions, Mr Dawkins made it clear that it would be for operators to ensure they were compliant. This was a commercial issue for them that they would need to include when tendering for a package of services.

At the request of the Chairman, Mr Dawkins agreed that after phase 1 had been successfully implemented he would bring sketch proposals for phase 2 and 3 to the Committee in order that they could give local perspective.