Environment and Regeneration Overview and Scrutiny

Date of Meeting: 15 July 2019

Report Title: Supported Local Bus Service Review – Proposals for Little Bus Service

Portfolio Holder: Cllr Craig Browne – Deputy Leader

Senior Officer: Frank Jordan- Executive Director (Place)

1. Report Summary

1.1. The Council provides financial support to operate certain bus services throughout the Borough. This includes scheduled bus services and a flexible transport service known as the Little Bus (currently operated by D&G Buses).

1.2. These services enable residents to benefit from local bus services in places where commercial services do not operate. The Council’s objectives for subsidising bus services are, as follows:

1.2.1. To provide passenger services for residents most in need to enable access to essential services, including health, education, employment, retail and leisure;

1.2.2. To provide bus services which maximise value for money and deliver an effective and efficient network of supported bus services;

1.2.3. To increase usage of the bus network;

1.2.4. To provide a balanced and equitable network of supported bus services which complements the commercial network in the Borough.
1.3. The Council has been carrying out a review of supported bus services and, following Cabinet approval in November 2017, a series of changes were made to scheduled bus services across the borough in April 2018.

1.4. In November 2017, Cabinet considered changes to the Little Bus Service which included reducing the number of vehicles operating the service from 9 to 5. These changes were deferred at that time, to allow time for changes to scheduled bus services to take effect whilst Little Bus services were unaffected and able to cater for any displaced passenger demand. During the intervening ‘settling in’ period, demand for the Little Bus service has remained static.

1.5. The Council has considered alternative options to deliver a Little Bus service, with a view to identifying options that provide better opportunities for passengers and greater value for money for the Council.

1.6. This report seeks approval for the Little Bus service to be operated by the Council through the wholly owned company, Transport Service Solutions Ltd (TSS). The proposals are based upon a commercial offer of service provided by TSS Ltd to the Council’s transport commissioning team. Subsequently, the extent to which this proposal meets the Council’s requirements has been assessed.

1.7. The proposed approach will have a number of advantages for passengers, most notably the provision of a modern fleet with more vehicles operating at the preferred times of operation. In addition, improved management of Little Bus operations and closer integration with the Council’s wider bus planning capabilities is expected to create opportunities to increase use of Little Bus by eligible residents of Cheshire East. In particular, this may assist residents gain access to healthcare, social care and community support provision.

1.8. Cabinet resolved to return the Little Bus service to Council operation at its meeting on 9th April 2019. This report provides further detail on these proposals for Little Bus services. At the meeting, officers will advise the Committee further on on-going preparations for commencing the new arrangements for Little Bus services in August 2019.
2. Recommendations

2.1.1 That the Committee considers the report setting out proposals for the Little Bus service to be operated by the Council through its contract with Transport Service Solutions Ltd.

3. Reasons for Recommendations

3.1. The Little Bus service is a flexible transport (dial a ride) service which provides transport for eligible residents who are unable to access a scheduled bus service due to mobility constraints or rural isolation.

3.2. The Little Bus service is currently delivered under a contract with D&G Buses which is due to expire in July 2019.

3.3. Proposals approved by Cabinet in November 2017 included reducing the number of vehicles operating the Little Bus service from 9 to 5 with the implementation of this reduction delayed to provide additional capacity whilst the revisions to scheduled services ‘settled in’. In the intervening period, demand for the Little Bus has remained static.

3.4. The Council has also been considering alternative approaches to ensure maximum benefits are extracted from the investment in the Little Bus service.

3.5. The recommended approach is for the Council to operate the Little Bus service by modifying the existing contract with TSS. The approach would utilise the existing TSS fleet which currently provides home to school services at the start and end of the school day as part of the Council’s statutory obligations.

3.6. At present, 2 of the 9 vehicles operating the Little Bus service also provide home to school transport for eligible pupils at the start and end of the school day. To provide further efficiencies and more journey opportunities for Little Bus passengers, the proposed approach would see the TSS fleet expanded to 9 vehicles to incorporate these 2 vehicles.

3.7. Currently, the TSS fleet is little used between school hours and this spare capacity can be used to provide the Little Bus service between the hours of 9:00am and 2:30pm. As the TSS fleet is already in place, it is expected that the revised arrangements for the Little Bus operation can commence from August 2019.

3.8. The recommended procurement approach has been determined following an Options Appraisal of potential options for procuring the Little Bus service
or a similar demand responsive dial a ride service. The expected benefits of the proposed approach are:

3.8.1. **Increased passenger journey opportunities**

3.8.1.1. The recommended approach provides a fleet of 9 vehicles compared to the fleet of 5 vehicles approved by Cabinet in November 2017. TSS would also make vehicles and drivers available to community groups on a commercial basis outside the Little Bus hours of operation.

3.8.1.2. The proposal also accords with the preferences of Little Bus members for how the service should operate. As summarised in Section 8, the consultation undertaken for the Supported Bus Service Review in the summer of 2017 showed a higher level of support amongst Little Bus members for operating the service with a greater number of vehicles between school hours, compared to an alternative proposal of operating fewer vehicles with longer operating hours. The proposed approach also mirrors the present demand for the Little Bus with the majority of trips in the morning and early afternoon.

3.8.1.3. It is estimated that the proposed approach could accommodate 83.4% of existing demand on Little Bus – 74.3% of trips at the current time and a further 9.1% of non-time dependent journeys which could be rescheduled. Capacity of the existing Little Bus service is however constrained by a number of very long term bookings with low vehicle occupancy, particularly in the Crewe area. The majority of these trips are for non-time dependent trips such as shopping and it is thus expected that all existing capacity can be met and some spare capacity created by rearranging and combining these bookings.

3.8.1.4. The additional capacity would be particularly used to provide additional journey opportunities for more essential journeys, such as to healthcare facilities, the consultation response with the highest level of agreement.

3.8.2. **Efficient use of resources**

3.8.2.1. In addition to providing additional capacity for passengers, the recommended procurement approach provides a more efficient use of existing resources.
3.8.2.2. Based upon the proposal received from TSS and making allowances for one-off set-up costs such as scheduling software, additional vehicles, communications equipment and branding; a part-year net saving of £130k is estimated for 2019/20. A full year saving of £223k is estimated from 2020/21.

3.8.3. Modern Vehicle Fleet and Branding

3.8.3.1. The recommended approach will provide a modern minibus fleet with an average vehicle age of 2½ years. The vehicles are fully wheelchair accessible and are expected to meet the particular needs of Little Bus service-users. This compares favourably with the vehicles that are currently operating the service, which have an average age of approximately 12 years.

3.8.3.2. A further advantage of utilising the TSS fleet is that there is opportunity to brand the Little Bus service to ensure it is readily recognisable by passengers. During implementation of the proposed approach, TSS would engage with suitable graphic designers to prepare branding options.

4. Other Options Considered

4.1. As outlined in section 3, the Option Appraisal also considered the following options

4.1.1. Tender through open market as a commercial proposition – continuing with a dial a ride service which is procured from the open market through competitive tender as the Little Bus service was previously.

4.1.2. Operate in-house (recommended) – the dial a ride service would be operated through an amendment with the current Management Contract with Transport Service Solutions Ltd (TSS).

4.1.3. Community transport – operating the dial a ride service through funding community groups to provide local schemes.

4.1.4. Withdrawal – withdrawing the Little Bus service without replacement.

4.2. The above options have been scored against criteria as part of an Options Appraisal Report.

5. Background

5.1. The methodology for carrying out the Supported Local Bus Service Review was approved by Cabinet in February 2017 and included the development
of a robust evidence base. This evidence base was subsequently used to develop a ‘Preferred Option’ of changes to supported bus services.

5.2. The ‘Preferred Option’ included a proportional reduction in the funding for the Little Bus service which would reduce the number of vehicles operating the service from the present 9 to ‘4 or 5’ depending on how the service operated (e.g. hours of operation).

5.3. In May 2017 Cabinet approved the ‘Preferred Option’ as the basis for a 10 week public consultation. The consultation was undertaken between 18th May and 26th July 2017. As well as the changes to scheduled bus services, the consultation sought feedback on how the Little Bus service should operate in the future. A summary of the consultation methods and results for the Little Bus service can be found in Section 8.

5.4. From the consultation feedback a set of adjustments and modifications were made to the proposals to better reflect the needs of residents as identified during the consultation. The revised proposals were approved by Cabinet in November 2017 and included the delaying of any reduction to the Little Bus service to account for any changes in demand from areas no longer served by a scheduled bus service.

5.5. Following procurement of the new scheduled bus network, the changes to supported bus services were made on 1st April 2018.

5.6. In the intervening one year period since the new supported bus network was introduced, demand for the Little Bus service has remained static. Key metrics for the service – the number of eligible residents joining the service, the number of trips made and the number of refused trips have shown minimal changes since the introduction of the changes to scheduled bus services in April 2018.

5.7. The changes to the Little Bus service form the final part of the Supported Local Bus Service Review.

6. Implications of the Recommendations

6.1. Legal Implications

6.1.1. The Council has not operated a public facing bus service and, in order to do so, and to enable delivery via TSS (who manage bus services) TSS will no longer procure contracted services for Little Bus. Instead, the Council will provide the Little Bus services and immediately transfer provision out to TSS via its contract with the Council.
6.1.2. TSS is a wholly-owned Council company and the delivery of these additional services can be directly awarded in this way via modification to the current contract (to enable TSS to operate a bus service for residents who qualify to use the Little Bus service).

6.1.3. The Equality Impact Assessments (EIA) completed as part of the consultation process have been updated and both assist in meeting the Council’s equality duties and are available to be considered by Cabinet and to inform Cabinet’s decision.

6.1.4. TUPE Regulations are likely to apply to the proposed transfer of the Little Bus service in-house and on to TSS. This means that D&G employees assigned to the Little Bus service will transfer to the Council and then to TSS on their current terms and conditions of employment. Due diligence will need to take place with D&G to establish the terms and conditions of those employees transferring and to ensure that any outstanding liabilities are paid by them prior to the transfer to the Council. The Council will need to provide information to D&G on any potential changes (Measures) that may affect their employees at the point of transfer.

6.1.5. There are legal obligations to inform and consult with employees under a TUPE transfer situation and a period of consultation should be factored into any timescales. The Council will comply with the statutory requirements.

6.2. Finance Implications

6.2.1. The financial implications of these recommendations for part of the savings identified for Little Bus in the MTFS.

6.3. Policy Implications

6.3.1. Implementation of the proposed changes to Little Bus services would contribute to all of the Outcomes stated in the Corporate Plan.

6.3. Equality Implications

6.3.1 An Equality Impact Assessment identifying the impacts of this proposal is included in the Appendices.

6.4. Human Resources Implications

6.4.1 Members of staff currently operating the Little Bus service may be available for TUPE employment rights transfer from the current operator. The employment rights of these members of staff would be
taken on by TSS and, by default, the Council. A period of consultation with affected staff members would also be required prior to any transfer.

6.4.2 The contractual terms and conditions of employment for individual members of staff would transfer and may result in additional costs for operating the service beyond the levels expected. Additional liabilities from the present operator may also be incurred during the transfer.

6.5 Risk Management Implications

6.5.1 A Risk Assessment and Mitigation Plan has been prepared and is available on request.

6.6 Rural Communities Implications

6.6.1 Cheshire East residents may qualify to use the Little Bus service if there is no scheduled bus service available, a situation more prevalent in rural areas.

6.6.2 The proposals will provide 9 vehicles to operate the Little Bus service, an increase from the 5 vehicles in the proposals approved by Cabinet in November 2017. It is expected that this increase in vehicles will provide residents living in rural areas additional opportunities to use the service.

6.6.3 The proposed approach to Little Bus services is considered to be consistent with the objectives of the Council’s approved Rural Action Plan, as at Cabinet in March 2019.

6.7 Implications for Children & Young People/ Looked After Children

6.7.1 The proposal will see a change of operator for some children and young people whom the Council has a statutory responsibility to provide home to school transport for. A change of operator for home to school travel arrangements is relatively routine and would continue to see the Council fulfilling its statutory obligations.

6.8 Public Health Implications

6.8.1 The recommendations have no direct impact on public health. The Little Bus service can be used to access healthcare facilities, although data provided by the current operator shows only 1% of trips are for this journey purpose.

6.8.2 A decision to update Little Bus operations and enhance the coverage, quality and responsiveness of the service is expected to improve
residents’ access to health facilities and contribute to reduced social isolation amongst residents with no access to scheduled bus services.

6.8.3 As identified in the November 2017 Cabinet Report, respondents to the consultation identified a number of social benefits from bus services, including the Little Bus service, with these services in some instances being the only opportunity to meet with other people.

7 Ward Members Affected

7.1 All Wards and all ward members.

8 Consultation & Engagement

8.1 Following approval by Cabinet in May 2017, a 10-week public consultation was held on the proposals for scheduled bus services and the Little Bus between 18th May and 26th July 2017.

8.2 The public consultation used a variety of methods to engage with members of the public and other stakeholders with distribution methods included posting the consultation documentation to all members of the Little Bus service that were registered at the time.

8.3 In total 3,959 responses were received on the consultation including 491 from respondents identifying themselves to be members of the Little Bus service. In addition approximately 600 members of the public attended ‘drop in sessions’ where members of staff were available to discuss the proposals.

8.4 For the Little Bus service, the consultation questions included asking respondents for their views on how the Little Bus service should operate in the future with a fleet size of ‘4 or 5 vehicles’ - dependent on factors such as the hours of operation.

8.5 Amongst the key questions respondents were asked to rate 6 options on a 1 (disagree strongly) to 5 (agree strongly) scale on how to manage the Little Bus service in the future. The results for respondents identifying themselves as Little Bus members and non-Little Bus members are shown in Figures 1 and 2.
8.6 As noted previously in this report, the top two preferred options – prioritising pre-booked essential journeys and having a higher number of vehicles available across a shorter part of the day – are incorporated in the recommended proposal.

8.7 The full Consultation Summary Report, can be seen on the following weblink:


9 Access to Information

9.1 The background papers for the proposals are available by contacting the report author.
10 Contact Information

10.1 Any questions relating to this report should be directed to the following officer:

Name: Richard Hibbert
Job Title: Interim Head of Transport
Email: Richard.hibbert@cheshireeast.gov.uk