



Community Transport Strategy for Cheshire

**Task Note 3:
Community Transport Strategy
Draft**

June 2007



GLOSSARY

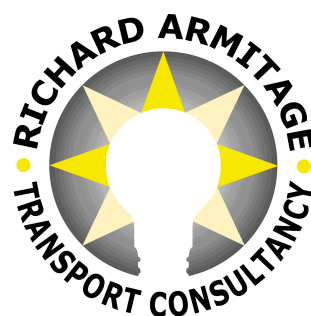
CBC	Congleton Borough Council
CC	Chester City Council
CCC	Cheshire County Council
CNBC	Crewe & Nantwich Borough Council
CT	community transport
CTA	Community Transport Association UK
CWSEP	Cheshire & Warrington Social Enterprise Partnership
DAR	dial-a-ride (door-to-door passenger transport)
DfT	Department for Transport
DRT	demand responsive transport
ECT	Ealing Community Transport
EPNBC	Ellesmere Port & Neston Borough Council
LSP	Local Strategic Partnership
LTP	Local Transport Plan 2006-2011
MBC	Macclesfield Borough Council
MIDAS	CTA Minibus Driver Assessment Scheme
NHS	National Health Service
PCT	NHS Primary Care Trust
PSV	Public Service Vehicle
PTS	NHS non-urgent patient transport services
RATC	Richard Armitage Transport Consultancy Ltd.
SEN	special educational needs
SLA	service level agreement
TAS	TAS Partnership Ltd.
TRS	CCC Transport and Regeneration Service
VFM	value for money
VRBC	Vale Royal Borough Council

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Community Transport Strategy for Cheshire

1 EXECUTIVE SUMMARY

- 1.1 This report lays down the basis for the creation of a Community Transport Strategy for Cheshire, to be adopted by Cheshire County Council (CCC). The key objectives of the Strategy can be summarised as generating economies of scale, sharing specialist skills and expertise, whilst maintaining the local identity of CT and dial-a-ride (DAR) services.

Policy context: why a CT Strategy is needed

- 1.2 In the first part of the report, the policy context of the CT review is explained, together with a discussion of what community transport is about and its benefits. Examples are provided, from elsewhere in the country, of the impact of a CT strategy and how CTs are delivering modernised services.

Demand for CT in Cheshire

- 1.3 The demand for CT and DAR is then explored, attempting to address the question: how much CT do we need in Cheshire?

- 1.4 It is estimated that there may be as much as four to five times as much demand for DAR type services in the county as are currently being provided.

CT in Cheshire today: a review

- 1.5 A business review and appraisal has been conducted at the four largest CT operators in the county: Community Transport Macclesfield Borough; Crewe, Nantwich and Congleton Dial-a-Ride; Ellesmere Port and Neston Community Transport; and Vale Royal Dial-a-Ride, a section of Community Partners.

- 1.6 There is no desire or necessity to 'throw out the baby with the bath-water'. The review has found that CT providers in Cheshire are delivering their transport services to a reasonable quality level that is appreciated by their passengers. However, they lack the dynamic approach to providing services that is required to introduce the necessary improvements being sought. Cheshire's CT and DAR operators need to upgrade and update their organisations if they are to be able to function effectively and cope with the changes ahead. Fortunately, there is support available for actions to modernise existing CT providers, some of which have already started to be implemented.

Changes ahead

- 1.7 The demographic make-up of the county is changing, with more people living longer and requiring more transport in order that they can remain living independently for as long as they wish. There are changes in the financial environment in which assisted travel and passenger transport in general is provided, with a cocktail of budgetary pressures, a service sector inflation rate that is above the national average, and the switch away from grant aid funding to contracts. The expectations of funders and service commissioners are changing, in respect of the professionalism and operational capability of the service providers with whom they enter into contracts for services.

Society itself is changing so that it is increasingly difficult to recruit appropriately qualified trustees or directors to serve on the boards of CT organisations.

Options for consultation

1.8 A number of options have been identified for the organisation and delivery of CT in Cheshire in the future. However, doing nothing is not an option in this instance, as the funders have already decided that CT and DAR services must be modernised. The options identified so far are as follows:

- **Merger:** all the DARs and CTs are currently quite modest in scale, so perhaps they could merge to form larger more effective set-ups?
- **Significant and rapid expansion:** can each DAR or CT operator spread its overheads over more activity, by significantly expanding and diversifying? This would imply tendering for assisted travel contracts from the county council, the NHS and other agencies.
- **Refresh service level agreements:** can significant improvements in performance be obtained by negotiation between the funders and CTs to create a new service level agreement?
- **Tendering process:** should all DAR and CT work be put out to tender, after a suitable period of notice to enable all bidders to prepare for the new arrangements? This option contains the possibility that the CT sector may not win all, or even any, of the work.
- **Umbrella body:** can the funders procure all CT activity in the county through one contract, with an umbrella CT body? This could be:
 - ◆ a body created and owned by the existing CT operators;
 - ◆ a body formed out of a merger of the existing CT operators;
 - ◆ a new organisation altogether, perhaps a Community Interest Company, that is formed by a third party not currently involved with the existing CT operators, with whom it has service agreements or contractual arrangements;
 - ◆ a new organisation that also operates the CT services in-house, leaving the existing CT operators to continue with those services they wish to provide that are not being funded by local government.
- **Fleet management changes:** can the DAR fleet be provided more effectively? This might be achieved by CCC operating all existing DAR services in-house, through to greater integrated use of CCC resources but retaining external CT operators.

Consultation process

1.9 Comments must be received by 12 Noon Friday 7th September 2007. After that, the final version of the CT Strategy for Cheshire will be produced, to be made available during Autumn 2007.

Introduction and background

2 CONTEXT FOR THE COMMUNITY TRANSPORT STRATEGY

2.1 After some initial investigation with key stakeholders during the second half of 2006, Cheshire County Council (CCC) identified the need to draw up a Community Transport Strategy for Cheshire. Following a procurement exercise, independent consultants, Richard Armitage Transport Consultancy Ltd. with TAS Partnership Ltd., were commissioned to review the county's community transport provision and prepare the draft strategy in conjunction with CCC.

2.2 For over two decades the community transport (CT) sector has been making a significant contribution to the mobility of disabled people and older people in the county. Most of the services were developed at a time when the funding and policy environment was rather different to today. Given these policy changes, and with more in the pipeline, it is appropriate to review how CT is performing and to check whether it is capable of continuing to meet the needs of its passengers and the requirements of the funders.

Policy context

2.3 The policy context for our review of community transport in the county has several strands. The most important ones are:

- Funding and effective service delivery:
 - ◆ Transforming Cheshire and achieving Gershon savings;
- Transport planning and improving accessibility:
 - ◆ Local Transport Plan 2006-11, and the Accessibility Strategy;
- Improving road-based passenger transport services:
 - ◆ Route and Branch Review Programme
- Coordination and streamlining of local public services:
 - ◆ Community Strategy and Local Area Agreement;
 - ◆ Third Sector Strategy.

2.4 The Community Transport Strategy for Cheshire complements the Route and Branch Review Programme, which is examining, on an area by area basis, all road-based passenger transport services in the county. Once agreed, the CT Strategy will directly support the Local Transport Plan for the county.

Local government reorganisation

2.5 After discussion with the CT sector's main funders (Cheshire County Council and the District Councils) and the CT operators, we have concluded there is widespread support for a CT Strategy. Therefore, it has been agreed to proceed with the development of the CT Strategy, which will subsequently need to take account of local government reorganisation.

3 WHAT IS COMMUNITY TRANSPORT?

- 3.1 CT services are provided for members of the public who are unable to use local bus services because of disability, physical or other mobility constraint or due to an absence of a suitable bus service in a locality.
- 3.2 Most CT services are in the form of flexible, on-demand transport. They operate in urban and rural areas, and they are not exclusively for older people. Although they are a specialist service, they are open to all eligible residents. The CT sector delivers accessibility and promotes social inclusion, and in Cheshire is perceived by many to be an integral part of the public transport network.
- 3.3 The CT sector has developed steadily in the UK over the past 30 years and is now involved in a wide range of passenger transport services. The sector has traditionally defined its remit in relation to the activities that are not undertaken by other passenger transport operators, either:
- because they are not commercially viable
 - because they are outside an authority's statutory remit
 - because other agencies take a policy decision not to undertake or procure the work.
- 3.4 From a small-scale 'amateur', do-it-yourself basis, the sector has grown in size and professionalism. It pioneered the growth in specialist accessible transport services, safe transport schemes, improvements in passenger safety in minibuses, particularly for wheelchair users, and transport targeted at certain local social inclusion initiatives. It has now come to be recognised by local and national government as playing a significant rôle in the overall mix of passenger transport provision.
- 3.5 This was recognised in the 1997 Transport White Paper: *A New Deal for Transport: Better for Everyone* and many other subsequent government documents including the detailed guidance in respect of Local Transport Plans.
- 3.6 One of the features of community transport is that its development has usually been driven by observed or experienced need, rather than a desire to provide transport per se, or on commercial grounds. This has stimulated unconventional approaches and has also created strong links between the sector and the government's social inclusion agenda, in its widest sense. Thus there are community-based transport services relating to:
- single parents
 - teenagers
 - rehabilitation of offenders
 - crime prevention
 - access to employment for young people
 - people with disabilities
 - elderly people

- rural isolation
- community activity in socially deprived areas
- community safety and personal security
- transport and health promotion.

3.7 It is fair to say that the environmental agenda has been less of a priority, but even here there are examples of car clubs, 'green' minibuses and recycling initiatives.

Definitions of community transport currently in use

➤ **Transport operated by voluntary sector organisations which have transport operation for others as a key purpose**

This excludes voluntary groups that only operate transport to meet their own needs.

➤ **Transport operated by transport organisations that:**

- **are non-statutory**
- **are democratic**
- **are locally-based**
- **involve users in decision-making**
- **are not-for-profit**

This is a very process-orientated definition, i.e. it is describing the way the transport is organised, rather than the transport itself.

➤ **Transport designed to meet the needs that conventional transport operators leave unmet**

This definition is reactive i.e. the area of ground occupied by community transport is that which commercial, statutory and private transport does not cover. This implies that if another transport operator develops a service that community transport is currently operating, the community transport project will cease to operate. It also implies that community transport will not compete for work with commercial operators.

➤ **Unconventional transport**

This definition makes no reference to the process, nor the objectives, but is concerned about the operating mode or legal basis i.e. registered local bus services using buses are conventional; taxibuses, taxi-sharing, car schemes, s.19 Permit services, dial-a-rides are unconventional.

➤ **Non-commercial collective transport**

This definition includes subsidised bus services, statutory services and voluntary organisations operating for their own purposes.

3.8 The term 'community transport' has come to include the broad spectrum of unconventional and non-commercial transport, whether run by community-based organisations or not. This broader meaning is becoming increasingly common throughout the UK. For example, it was used by the National

Assembly for Wales in defining the basis for its study into community transport designed to establish the Welsh national community transport strategy. This is significantly different from the traditional view which is that 'community transport' has a strong community base, with an independent voluntary management involving users. The different ways in which the term is now used can certainly cause confusion, and care therefore needs to be taken to understand the way in which the term is being used. In particular, it is widely accepted by close observers of the CT sector that the image of CT is these days unclear and the 'CT brand' is in need of refreshment. Already in Cheshire, the difference between flexible bus services, the services offered by CTs and DARs, and DRT is becoming blurred.

4 BENEFITS OF COMMUNITY-BASED TRANSPORT

4.1 The County is right to pursue a strategic approach to community transport provision. Some other English counties have adopted and implemented CT strategies to good effect, for instance, in Hampshire, Derbyshire, and North Yorkshire. The result has been a larger CT sector, more comprehensive service coverage, and greater added value. CT services are operated that are not local authority funded and the CT sector brings in financial and other resources that are not available to the public sector (e.g. through Big Lottery, charitable funding and other investment).

North Yorkshire

4.2 For example, North Yorkshire County Council and its partners adopted the North Yorkshire CT Strategy in 2004. It suggested that there was a need to develop a few robust area-wide social enterprise CTs, in order that the opportunities presented by local authority assisted travel tendering processes could be taken advantage of. However, it was proposed that the larger CTs should have responsibilities attached to their greater clout, namely that they should support and assist smaller CT operations in their area.

4.3 As a result, Harrogate and District CT (trading as Little Red Bus) has formed a consortium with Bentham CT (a small operation) and RYECAT in Malton (a medium-sized CT), and succeeded in winning the first ever full investment by Futurebuilders England in the community transport sector in April 2006. They were awarded £1,106,000, mostly in the form of a loan and a lease guarantee. This financial package is key for the delivery of an integrated passenger transport model, in partnership with North Yorkshire County Council, for improving provision of statutory services and the sustainability of community transport in the area. On 15 November 2006, they held a national conference on Futurebuilders and creating sustainable community transport, in Harrogate, with over 100 delegates, including officers from the County Council (for more details visit: www.ratransport.co.uk/news3.html).

Modernised CT and dial-a-ride services

4.4 The evidence suggests that where a council decides to undertake a careful review of existing dial-a-ride services and practice, it is practical to introduce significant improvements. Here are a few examples.

- 4.5 In 2005 Milton Keynes Council commissioned a review of its dial-a-ride services. As a result, a refreshed service specification was drawn up and tendered through the Official Journal of the European Union in early 2006. Six tenders were received, from local and out of area operators, both private operators and social enterprises.
- 4.6 The contract was awarded to Milton Keynes Community Transport, a new joint venture between Age Concern Milton Keynes, a significant local provider of personal social services with over 200 staff, and Ealing Community Transport. The new service commenced on time in June 2006, with brand new high quality vehicles and new internet-based bookings and scheduling system. Renamed MK Plusbus, the service is already providing around 72,000 single passenger trips per year (up from 58,000 under the previous system), with over 1,000 active members (up from around 200).
- 4.7 MK Plusbus has also been achieved for about £650,000 per annum, less cost than before, and therefore the remaining budget of about £140,000 has been channelled into a new service. MK Taxicard, after a pilot trial in early 2007, was launched on 1 May 2007, providing a subsidy for taxi rides to eligible disabled and elderly residents. The subsidy is distributed by a smartcard, using the new Concessionary Operators Payment Scheme (COPS) provided by National Transport Tokens Ltd. It is expected to provide around 30,000 journeys in a full year. In conclusion, the same budget is expected to produce around 100,000 journeys p.a., up from 58,000 before the review commenced.
- 4.8 Hackney CT, through its trading company CT Plus Ltd., won the contract for special educational needs (SEN) transport in the London Borough of Waltham Forest. Part of the work has been sub-contracted, with the agreement of all parties, to Waltham Forest CT, a local charity. The latter did not want to run all of the borough's SEN services, and would probably have been unable to clear the financial threshold in order to be awarded such a large contract. Equally, CT Plus was delighted to have a local not-for-profit partner.
- 4.9 In Calderdale, CT Calderdale has been providing a minibus to get patients to and from Brighouse Health Centre chiropody clinic since 2002. In mid-2006, the local primary care trust (PCT) made a three-year funding commitment to this service. CT Calderdale is also looking at practice-based commissioning as a method of funding other forms of patient transport services (PTS) for primary healthcare appointments, not covered by current NHS PTS arrangements.
- CT in Cheshire helping to attain corporate public sector objectives**
- 4.10 Initial analysis of the Community Strategies, the Local Area Agreement, and local NHS policy in Cheshire, suggest that community-based transport solutions should be able to help the public sector in Cheshire to meet its corporate objectives. In order to maximise the opportunities presented here, there will need to be active and open engagement by all stakeholders. The County Council expects to adopt an active and positive role in this process.

5 DEMAND FOR ASSISTED TRAVEL

- 5.1 *Assisted travel* is the catch-all term developed by the Audit Commission in its *Going Places* report in 2001 on social services day centre transport, non-urgent PTS, dial-a-ride, CT, and SEN home-to-school transport.
- 5.2 The difficulty for Cheshire's public sector service commissioners, especially those involved in social care, healthcare, and passenger transport, is that all the indicators suggest that the demand for assisted travel is rising. This is not only because the population is getting older, but it is also because of rising expectations amongst most groups, but particularly younger disabled adults, about mobility.
- 5.3 Furthermore, additional demand for assisted travel is being created by the way in which some services, especially healthcare, are configured, requiring more travel by the clients (for example, travel to the new NHS super surgeries that are replacing a number of individual primary healthcare services). Yet further pressure is on service commissioners to deliver services to those who are most likely to experience social exclusion, some of which is due to poor levels of mobility.
- 5.4 Although the mainstream scheduled bus and rail services are gradually becoming more accessible physically, they are never going to be able to meet all mobility needs. This is because they are not running (e.g. in the evenings, at weekends), not available (e.g. in rural areas), too expensive (e.g. rail fares to London at peak), or inappropriate (e.g. the passenger cannot get to the bus stop, and needs truly door-to-door service).
- 5.5 The volume of the demand for CT can be characterised as follows:
- CT is required to improve accessibility;
 - CT demand is rising because of demographic changes, in particular due to people living longer;
 - CT can improve the effectiveness of other public sector agencies, and reduce service delivery costs in social care and healthcare;
 - CT services, appropriately aligned to public policy, can allow the County Council to work in genuine partnership with its public, private and third sector partners;
 - CT is likely to experience increased demand for flexible passenger transport solutions.

6 ESTIMATE OF DIAL-A-RIDE DEMAND IN CHESHIRE

- 6.1 At the commencement of the CT review, it was agreed with that there are insufficient resources available at this time for a detailed examination of the precise make-up of unmet transport needs in the county. However, based on work done elsewhere in the UK, the consultants have amassed considerable evidence of unmet need for assisted travel in areas similar to Cheshire.

Estimate of unmet demand: Swedish model

- 6.2 An estimate of the likely demand for door-to-door services by elderly and disabled people over the next 10 years has been prepared, based on a model developed by the consultants that uses as its reference point or benchmark, the experience of the Swedish Special Transport Service.
- 6.3 RATC and TAS prepared a report for Milton Keynes Council in 2005: *A Replacement Community Transport Service for Milton Keynes Task Note 2: The Need for Accessible Transport*. In this report, an estimate of the shortfall in provision was made, using an analysis system based on OPCS (Office of Population Censuses and Surveys) disability surveys interpolated with data from the 2001 census together with updated population estimates. This demonstrated that the existing membership level of the local dial-a-ride service was well below the level that could be expected and that therefore when the scheme was replaced with a modern and more attractive system, it could be expected that demand for the new service would be significantly higher than for the previous one. This prediction has later been confirmed as correct, upon the introduction of the new service in June 2006.
- 6.4 The above analysis demonstrated the complexity of this issue and the difficulty of making firm estimates. From the point of view of the short and medium term, however, there is clearly a significant shortfall between potential need and the actual budget available. Given the past propensity to expand the scheme without meeting demand, there inevitably has to be political concern by budget holders of what the future might require. A reluctance to enter into open-ended financial support of accessible transport services would be completely understandable.
- 6.5 Unfortunately, if one simply examines specialist door-to-door transport there are no 'mature' systems anywhere in the UK which can be used to provide useful forecasts. By 'mature' is meant that:
- the availability of specialist accessible transport has been guaranteed to people unable to make effective use of conventional transport;
 - the system capacity has been expanded to meet expressed demand with no arbitrary limits;
 - the system has been in place for long enough to cater not merely for people who were already disabled, but also to people who were using conventional services, but who are no longer able to;
 - the system runs alongside reasonably accessible, low floor, conventional buses and a generally high standard of accessibility (i.e. to buildings, information, etc.).
- 6.6 For such a service one needs to turn to Sweden, which developed its paratransit system, called Special Transportation Service (STS), from the early 1970s using a mixture of dedicated accessible minibuses and contracted saloon car taxis. After twenty years, eligibility/membership for this service peaked at 4.8% and has now stabilised at 4.6% of the population.

- 6.7 A particularly useful lesson from the Swedish experience is that their introduction of demand responsive and accessible local bus services, open to the general public (known as Service Routes and Flex Routes), in addition to low-floor mainstream bus services, helped reduce the costs of the STS provision. Thus in 1988, STS had:
- 406,100 members, doing 16,700,000 annual trips, costing £109 million; and
- by 2000 this had changed to:
- 405,000 members, doing 13,560,000 annual trips, costing £102.3 million.
- 6.8 The real saving is greater than appears because full allowance has not been made for inflation.
- 6.9 A simple comparison with the STS experience would produce an assessment of need for all kinds of assisted travel in Cheshire as follows:
- Total population of Cheshire: 680,000 people
 - Eligible members of the Cheshire “STS”: 4% or 27,200 people
 - Number of trips per annum: 33 per person, a total of 897,600 trips p.a.
 - Average cost per trip: £8, a total of £7.2 million p.a.
- 6.10 It can be seen that the gap between the level of service being provided currently and that predicted by the model is significant.
- Estimate of unmet demand for DAR: population analysis**
- 6.11 In order to reinforce the conclusions from the Swedish model (above), we have also looked at the demographic composition of Cheshire.
- 6.12 The average proportion of the population in England who are over 65 is 16% and the average with a disability is 5%. Cheshire has an average number of over-65s, apart from in Macclesfield which is 2% higher than average. For disability, Cheshire is about average, with Ellesmere Port & Neston slightly higher than average, Congleton and Macclesfield slightly lower.
- 6.13 In the five geographical areas where DAR has been appraised, the combined population of over-65s and those who have a disability is 101,335. Obviously only a proportion of these would require or be eligible for DAR services. This is likely to be well in excess of the 4,953 who are deemed to be active current users. Therefore, there is a potentially significant unmet demand.
- 6.14 The percentage of the population who are registered users of DAR services is generally low, and especially so in Vale Royal. Those who are registered users are using the services an average of 5 times per month. The general pattern, therefore, is for a small number of people having very good access to services (at least weekly).
- 6.15 In conclusion, it is estimated that there may be as much as four to five times as much demand for DAR type services in the county as are currently being provided.

Community transport in Cheshire today

7 COUNTY-WIDE COMMUNITY TRANSPORT REVIEW

- 7.1 During the first four months of 2007, the consultants have conducted a business review and appraisal at the four largest CT operators in the county:
- Community Transport Macclesfield Borough
 - Crewe, Nantwich and Congleton Dial-a-Ride
 - Ellesmere Port and Neston Community Transport
 - Vale Royal Dial-a-Ride, a section of Community Partners.
- 7.2 Each of the above organisations has received a copy of our appraisal, and discussions continue with each one about the implications and finer detail.
- 7.3 During the course of our work for the County Council, the dial-a-ride (DAR) service centred on Chester, Ellesmere Port and Neston operated by Chester Bus, has been reviewed separately by the County Council's Transport and Regeneration Service, as the existing contract was coming to an end. It has now been re-tendered, using a refreshed contract specification, and the new contract has been awarded to Ealing Community Transport, to commence in October 2007.

8 CT SERVICES IN CHESHIRE

- 8.1 Cheshire currently has a network of CT services, mostly dial-a-ride (5), but also some voluntary car schemes (16) and women's safe transport (2). These provide approximately 100,000 passenger journeys per year, of which 11,000 are for passengers travelling in a wheelchair. The annual County net budget for these services is approximately £600,000, with an additional contribution, excluding concessionary fares, of about £216,000 from the six district councils, and a small fares revenue.
- 8.2 These services are highly valued by their dependant users, and are operated with particular attention towards meeting their individual needs, whilst also providing important opportunities for social inclusion.
- 8.3 The review has shown that there is useful CT infrastructure in place, that is successfully meeting some residents' needs. This is a good starting point on which to build the future.

Common ground

- 8.4 All four organisations have charitable objectives, and a commitment to social inclusion. Between them, their current resources are:
- 67 staff, not all of whom are full-time
 - 26 vehicles
 - 75 volunteers
 - Premises and computers
 - Trustees.

Services provided

- 8.5 To date, we have identified 28 different brandings and/or areas of operation. Three organisations (Crewe, Macclesfield and Vale Royal) concentrate substantially on providing DAR services under the terms of their service agreement with the County Council, but with significant funding from their respective District Council(s) too.
- 8.6 Other services provided include group travel services for voluntary and community organisations and schools, driver training (e.g. the CTA MiDAS system), shopmobility, and specific bespoke services for public sector clients.

Strengths and weaknesses

- 8.7 Looking at the county's CT sector as a whole, it is clear that each operator has a strong local focus. But this local strength is also currently a collective weakness as the CT operators do not have a broader strategic vision for how they want their sector to flourish in the future.
- 8.8 Given the way that the CT sector has developed in Cheshire, this is entirely understandable. The CTs started small and local, with a modest scale of operation. They have grown somewhat since they started, but their growth patterns have been piecemeal, leaving gaps in provision, especially in some of the rural parts of the county. Their current funding arrangements have not encouraged the CT operator to innovate or to secure very much additional non-local government funding.
- 8.9 The operators share several positive common characteristics:
- They are safe and conscientious operators, with good practice in evidence in respect of day-to-day service operation;
 - They are well placed to continue to meet existing demand;
 - They have shown some ability to respond to additional demand, within their current resources; and
 - There is a comparatively healthy level of volunteer involvement.
- 8.10 They also have some less positive characteristics:
- There is a limited ability to forge innovative services;
 - They have a poor record of social enterprise (for more about social enterprise and community transport, see the Appendix) or independent income generation;
 - There is scant user involvement in the planning and procurement functions of the organisations; and
 - There is no over-arching sense of purpose or vision and no development path.

Current funding arrangements

- 8.11 There are several difficulties with the existing funding arrangements, and it is therefore most unlikely that they will remain unchanged.

- 8.12 Comprehensive financial and operational data on the services that have been commissioned by the County Council is not kept in a consistent form and this hinders proper analysis. The result is that it is difficult to monitor and evaluate service delivery.
- 8.13 The current financial process is through an outdated annual grant aid mechanism, and it is likely there are better ways of securing these services.
- 8.14 The agreement with the service providers is not encouraging innovation or further development of provision, despite the population getting older and demand increasing.
- 8.15 The district councils make a vital financial contribution to DAR services, but they are not recognised in the current agreements.

Resources for CT in Cheshire

- 8.16 Any CT operator in England today needs to be aware of the changing financial climate. The CTA published *Guidance for funders of community transport* in July 2005, in which the new funding environment was explained in detail.
- 8.17 For example, on 30 April 2007, Hampshire County Council announced to its many CT operators that their service agreements were to end no later than 31 March 2008, to be replaced by contracts.
- 8.18 In Cheshire, the CT operators have been slow to respond to these far-reaching changes. There is little strategic thinking or action planning taking place in any of the organisations, and this leaves them vulnerable.
- 8.19 One operator holds a Restricted PSV Operator Licence, but none of the CTs currently holds a full PSV Operator Licence, despite some aspirations in this direction. This is likely to be a pre-requisite for survival in the future, in order for these organisations to be able to diversify into other types of transport operation.
- 8.20 In future, it is highly likely that a significant portion of the CT operators' work will be derived by tendering for public sector transport service contracts. At present, the CT operators are inadequately prepared for this. They need to acquire the ability to develop new services, backed by a realistic business plan to ensure these developments are going to be sustainable over time. They will need to have a much more thorough understanding of all of their costs, and to be able to put together well-crafted tenders at short notice. They will also need to know when tenders are being issued, by ensuring they are on manual and electronic tender lists, and by submitting pre-qualification questionnaires and expressions of interest, as required by some public sector bodies.
- 8.21 The process has already commenced, with the Chester Dial-a-Ride competitive tender being won by a social enterprise community transport, Ealing CT. The ECT Group annual turnover in 2006-07 was about £45 million, with over 1,000 staff employed, in a range of service operations.

Approved Community Transport And Dial-A-Ride Services in Cheshire

8.22 In 2006, a definition of CT put forward for the Cheshire concessionary travel scheme policy was as follows:

- *“Non fixed route local public transport services recognized by Cheshire County Council as being an integral part of the local public transport network, that are mainly or wholly provided for eligible members of the public, who are unable to use conventional public transport services because of speech, mobility, sensory impairment, other eligible disability or specific absence of a conventional service. Excludes use of such services whereby a journey is planned which features a collective purpose of travel to or from one or more specific venues, destinations or meetings not normally available to (Or attended by) the general public, or journeys provided for collective travel on an irregular basis, unless otherwise agreed by Cheshire County Council.”*

8.23 This definition aims to:

- Avoid reference to whether the service is provided under a PSV ‘O’ Licence, S19 or S22 permits, as any could be applicable.
- To exclude “closed door group travel” (i.e. journeys made for a specific group of people or purpose, not available to the wider public) such as Luncheon Clubs, Stoke Clubs and so on.
- Aims not to exclude semi-fixed route DAR operations, e.g. from Area X at a given departure time to a town centre or specific out of town supermarket.
- Aims to exclude DAR operators arranging "special trips" for its members to visitor attractions (e.g. occasional "nice day out" trips).
- Gives scope for CCC to have discretionary powers regarding eligibility, but also to reinforce the context of the use of concessionary fares as being within the County's overall public transport network, not for bespoke purposes.

8.24 DAR services are within the Cheshire countywide free concessionary travel scheme, through each district council exercising its discretionary powers. This represents a significant source of income for DAR operators, and CCC and the district councils are examining how such income is administered.

Common standards

8.25 The CT operators do not currently share common service standards. They have different approaches to:

- reporting and data collection (outputs and outcomes)
- operational standards (including PSV capability)
- policy and governance
- training standards
- branding and marketing.

- 8.26 All of this makes it difficult to compare how each of the CT operators is performing, relative to each other, within the county, and to other operators elsewhere in the country. These matters need to be sorted out if the CT sector is to become more sustainable, in order to foster funder confidence and to modernise and professionalise the CT operators' management and organisation.

Benchmarking

- 8.27 The performance of the Dial-a-Rides that have been appraised will be discussed with each organisation separately. The aggregate picture is contained in the table below:

Cheshire's Dial-a-rides: performance (2006-07) of Crewe & Nantwich, Congleton, Macclesfield, and Vale Royal DAR	Totals
Population	473,906
Over 65s	78,828
Over 65s (percentage of population)	17%
Disabled	22,507
Disabled (percentage of population)	5%
Area (hectares)	154,656
Population Density (Persons per hectare)	3.06
Active Registered Users	4,953
Users as % of Population	1.05%
Total Passenger Trips	73,903
Average Trips Per Passenger p.a.	15
No. Vehicles In Service	12
Passengers Per Vehicle p.a.	6,159
Total Vehicle Hours p.a.	28,860
Passenger Trips Per Vehicle Hour	2.56
Total Fare Income	£103,000
Average Fare Per Trip	£1.39
CCC SLA Support	£256,512
CCC Subsidy Per Trip	£3.47
District SLA Support	£116,930
District Subsidy Per Trip	£1.58
Total SLA Support	£373,442
Total Subsidy Per Trip	£5.05
SLA Per Capita	£0.79

- 8.28 As is to be expected, the averages mask the range. Points of particular interest are:
- Passengers carried per vehicle per annum: the range is from 5,426 to 7,598; if the other 3 DARs achieved the higher level of loadings of the 4th, an additional 17,000 passengers would be carried, a rise of 23%.
 - Passenger trips per vehicle operating hour: the range is from 1.6 to 3.45. The organisation that provides the most vehicle operating hours has the lowest passenger loadings. These passenger loadings indicate a modest level of multi-occupancy, but they do not specifically correlate to population density in the operational areas.
 - The population density in the areas covered are all under the English average of 3.77 persons per hectare, with the exception of Congleton. It could be expected that the lower the population density (i.e. the more rural the area), then journey lengths should rise and multi-occupancy rates should fall, but on the evidence available, this is not an important factor affecting the performance of these DARs.
 - The subsidy per trip ranges from £4.17 up to £5.94, rising to £6.63 at one DAR, if additional public sector financial support is factored in.
 - Fares charged are consistent across the four DARs, presumably being subject to County policy. The average of around £1.40 per single passenger trip suggests that fares are below average for the kinds of services being offered. Many DAR operations elsewhere charge an average of £1.50-£2.00, and some, such as Scarborough, charge much more.
- 8.29 It is important to avoid over-dependence on these figures and calculations, when deciding on how these services should be improved in the future. The variations demonstrate the difficulty of comparing one DAR with another, a problem faced by policy-makers throughout the country. Local factors and circumstances can lead to wide variations in performance, even between neighbouring services.
- Vehicle acquisition and management**
- 8.30 DAR vehicles are acquired and managed by the fleet manager at the County's Transport and Regeneration Service. The DAR managers are not satisfied with the quality of service that is being provided by TCS' contractors, in relation to vehicle maintenance, repairs and MOT. The service provided is, it is claimed, very slow, with vehicles off the road for some time, and there appears to be no proper back-up vehicle provision. These matters could be resolved by refreshing the current arrangement.
- 8.31 However, the way this is dealt with ensures that the DAR managers have little control over their fleet, and never acquire the fleet management skills that most DARs and CTs elsewhere in the country take for granted. This impairs the ability of Cheshire's CTs to grow or alter their services, as they lack flexibility and room for manoeuvre, and lack experience of vehicle acquisition. Indeed, the current financial arrangements are probably having the effect of discouraging the CTs from acquiring their own vehicles.

9 BUSINESS APPRAISAL CONCLUSIONS

- 9.1 Most of the CT services under review have been established for some time, over two decades ago in some instances. The business appraisal has shown that they are being operated in a way that does not necessarily capture current best practice.
- 9.2 The potential for further development of the CT sector's role is hindered by the current providers' low level of investment in vehicles and premises, and limited operationally by there being only Section 19 Permit operations (with the exception of one Restricted PSV 'O' Licence).
- 9.3 The CT providers must become fit for purpose:
- Cheshire needs sustainable CTs, and this will require at least some of them to operate along social enterprise principles;
 - Common standards need to be adopted by the county's CTs, including:
 - ◆ Creating a full PSV operational capability
 - ◆ Reporting and data (outcomes, as well as outputs)
 - ◆ Policy and governance
 - ◆ Training
 - ◆ Branding and marketing
 - ◆ Business planning
 - ◆ Adoption of a more cohesive approach.
 - Shared bookings and scheduling facilities need to be established.
- 9.4 These actions would be expected to achieve:
- Comprehensive service throughout the county;
 - Better value for money;
 - More users and more patronage;
 - Higher chances of success for an integrated approach to assisted travel.
- 9.5 A CT "voice" needs to be found via collective planning and some kind of regional forum. It seems very likely that CTs will need to consider joint operations and partnership working arrangements.

Discussion of the issues

10 TOWARDS MORE SUSTAINABLE CT PROVISION

10.1 Cheshire needs CT provision that is viable, sustainable over the long-term, thriving, and more comprehensive in its coverage of the county.

10.2 A CT Strategy for Cheshire is required that:

- Increases capacity.
- Creates a stable financial environment for operators.
- Ensures effective support for CT management and development.
- Introduces improvements in CT standards, operational effectiveness and structures.

10.3 The principles of a CT Strategy for Cheshire should be:

- Fairness: all parts of the county to benefit from CT provision.
- Value for money: CT needs to be sure it is offering good VFM, in order to secure the public and charitable funds it requires.
- Equity: all sections of the community that need CT services should have access to affordable, appropriate, accessible, and safe road passenger transport.
- Quality: CT services to be provided at an agreed minimum standard of quality, ensuring passengers can travel in dignity and comfort. This includes CT operators meeting or exceeding legislative and regulatory requirements, especially in respect of safety.

10.4 The CT Strategy for Cheshire needs to cover the broad spectrum of CT, not just those services currently being provided, in order to encourage further development:

- dial-a-rides, dial-a-buses and similar specialist services;
- car schemes, van pools and car clubs;
- community buses, community minibuses, brokerage and similar schemes;
- access for people with mobility difficulties within conventional bus, rail and taxi services;
- related support services such as shopmobility, travel training, buddy schemes and provision of travel information;
- transport provided by or on behalf of statutory agencies such as adult care services, services for elderly people, non-emergency Patient Transport Services, particularly looking at the potential for co-operation between agencies for mutual advantage and the implications of changes in one agency's approach for other agencies working in the field;

- schemes which make the cost of travel more affordable to disadvantaged individuals or groups, including discretionary aspects of the concessionary fares scheme.

Changes underway and in the pipeline

- 10.5 There is no desire or necessity to ‘throw out the baby with the bath-water’. CT providers in Cheshire are delivering their transport services to a reasonable quality level that is appreciated by their passengers. But the difficulty lies in the fact that this is not going to be adequate to meet the changes that are on the way:
- Changes in the demographic make-up of the county, with more people living longer and requiring more transport in order that they can remain living independently for as long as they wish;
 - Changes in the financial environment in which assisted travel and passenger transport in general is provided, with a cocktail of budgetary pressures, a service sector inflation rate that is above the national average, and the switch away from grant aid funding to contracts;
 - Changes in the expectations of funders and service commissioners, in respect of the professionalism and operational capability of the service providers with whom they enter into contracts for services;
 - Changes in society that are making it increasingly difficult to recruit appropriately qualified trustees or directors to serve on the boards of non-statutory organisations.
- 10.6 The business appraisal of the local CT operators has indicated that they need to upgrade and update their organisations if they are to be able to function effectively and cope with the changes ahead.
- ### **Questions arising from the consultation and appraisal process**
- 10.7 Could existing arrangements be reviewed to make the experience from wishing to make a journey to arriving back home more attractive to users?
- 10.8 Existing resources may well be busy, but are they being used efficiently?
- 10.9 How can we expand our base of users to include those currently deterred from trying to book their journey?
- 10.10 Could greater co-ordinated and integrated procurement of specialist transport across sectors and services increase capacity?
- 10.11 Can performance monitoring, user involvement and forward planning, be improved and used as a tool to develop better services?
- 10.12 Do we have credible projections of future needs, and how are we to respond to the trends towards more demand?

11 COMMUNITY TRANSPORT DEVELOPMENT IN CHESHIRE

- 11.1 The CT Strategy for Cheshire aims to create a framework for the development of CT throughout the county. By providing stakeholders with a focus for thought and giving direction to current or potential service providers, it will encourage new income streams.
- 11.2 It is essential that provision of all assisted travel is coordinated in order to maximise the amount of transport that can be provided and to ensure minimum quality levels are adhered to.
- 11.3 The key objectives of the CT Strategy can be summarised as:
- generating economies of scale;
 - sharing of specialist skills and expertise;
 - whilst maintaining local identity of services.
- 11.4 Any new delivery mechanism for CT in Cheshire must enable the service providers to respond to changes and to take advantage of new opportunities that arise within the duration of contracts. This approach will help to attract “buy-in” from those making separate procurement arrangements (e.g. NHS patient transport).
- 11.5 Furthermore, the economies of scale may secure some “at risk” services, that would otherwise fall by the wayside.
- 11.6 Traditionally, a major benefit of community-based transport provision has been that it makes it practical to exploit external funding opportunities, ones which are not available to either the private sector or the public sector. This CT Strategy must encourage this to happen in Cheshire.
- 11.7 The tendering exercise to renew the Chester, Ellesmere Port & Neston Dial-A-Ride & Women’s Safe Transport contract marks a new departure in procurement of this kind of service in Cheshire. The award of the contract to Ealing Community Transport Ltd. (for commencement in October 2007) introduces a new provider into the county. The tender specification has been based on numerous quality and performance measures, not just price.

Options for CT in Cheshire

12 OPTIONS IDENTIFIED TO DATE

12.1 A number of options have been identified for the organisation and delivery of CT in Cheshire in the future. However, doing nothing is not an option in this instance, as the funders have already decided that CT and DAR services must be modernised.

12.2 The options identified so far are as follows:

- **Merger:** all the DARs and CTs are currently quite modest in scale, so perhaps they could merge to form larger more effective set-ups?
- **Significant and rapid expansion:** can each DAR or CT operator spread its overheads over more activity, by significantly expanding and diversifying? This would imply tendering for assisted travel contracts from the county council, the NHS and other agencies.
- **Refresh service level agreements:** can significant improvements in performance be obtained by negotiation between the funders and CTs to create a new service level agreement?
- **Tendering process:** should all DAR and CT work be put out to tender, after a suitable period of notice to enable all bidders to prepare for the new arrangements? This option contains the possibility that the CT sector may not win all, or even any, of the work.
- **Umbrella body:** can the funders procure all CT activity in the county through one contract, with an umbrella CT body? This could be:
 - ◆ a body created and owned by the existing CT operators;
 - ◆ a body formed out of a merger of the existing CT operators;
 - ◆ a new organisation altogether, perhaps a Community Interest Company, that is formed by a third party not currently involved with the existing CT operators, with whom it has service agreements or contractual arrangements;
 - ◆ a new organisation that also operates the CT services in-house, leaving the existing CT operators to continue with those services they wish to provide that are not being funded by local government.
- **Fleet management changes:** can the DAR fleet be provided more effectively? This might be achieved by CCC operating all existing DAR services in-house, through to greater integrated use of CCC resources but retaining external CT operators.

Consultation process

13 CONSULTATION PROCESS TO DATE

- 13.1 An open and transparent approach has been taken to the development of the CT Strategy for Cheshire.
- Since July 2006 the County and the District Councils have been discussing how to improve on current arrangements;
 - The initial consultation seminar took place on 25 July 2006 in County Hall and was attended by 60 delegates;
 - In September 2006, CT operators attended a social enterprise workshop (see Appendix to this report);
 - In December 2006 CT operators met with the county's TCS;
 - On 16 April 2007, the second CT Consultation Seminar was held in Crewe, attended by over 60 delegates (a copy of the presentations and the proceedings are at www.ratransport.co.uk/news8.html);
 - In April and May 2007, the consultants have facilitated two private meetings with CT operators, to discuss the implications of the various options outlined in this report.

14 CONSULTATION PROCESS TIMETABLE

- 14.1 With the publication of this draft Community Transport Strategy, interested individuals and organisations are invited to comment and submit their views. The County Council wants comments on the strategy in order to strengthen or improve the proposals.
- 14.2 People are invited to make their views known by completing the Consultation Questionnaire, and by attending one of the five Consultation Forums.
- Community Transport Strategy Forums**
- 14.3 Five forums have been arranged. These are open to anyone to attend, and will provide an opportunity to discuss the Community Transport Strategy face-to-face with the authors and the County Council.
- 14.4 The Forums are fully accessible and there will be an induction loop available at each one.

Wednesday 4th July 2007 Start: 10 a.m.	Capesthorne Suite, Town Hall, Macclesfield, SK10 1DP
Wednesday 4th July 2007 Start: 2 p.m.	Congleton Museum, Market Square, Congleton, CW12 1BT
Thursday 5th July 2007 Start: 10 a.m.	Winsford Civic Hall, The Weaver Room, Dene Drive, Winsford, CW7 1AX
Thursday 5th July 2007 Start: 2 p.m.	Municipal Buildings, Earle Street, Crewe, CW1 2BJ
Wednesday 18th July 2007 Start: 2 p.m.	Quaker Meeting House, Union Walk, Frodsham Street, Chester, CH1 3LF

Consultation Questionnaire

14.5 The consultation questionnaire can be downloaded from the County Council's website (visit www.cheshire.gov.uk/transport), and sent in by fax or post, or it can be completed on-line. To request a copy by post telephone Jen Taylor on 0161 368 6603. For all correspondence about the consultation, contact:

- Cheshire CT Strategy Consultation
c/o Richard Armitage Transport Consultancy Ltd.
Oxford House, Smithy Fold Road, HYDE, SK14 5QY
Tel: 0161 368 6603; Fax: 0161 367 9242
E-mail: jen@ratransport.co.uk

Further copies of this strategy document

14.6 For more information about the Forums, further copies of the CT Strategy document or the consultation questionnaire, please go to the Cheshire County Council website (visit: www.cheshire.gov.uk/transport). To speak to someone about the Forums or the consultation arrangements, please e-mail Jen Taylor at jen@ratransport.co.uk or call her at on 0161 368 6603.

Consultation closing date for comments

14.7 Comments must be received by 12 Noon Friday 7th September 2007.

14.8 After that, the final version of the CT Strategy for Cheshire will be produced, to be made available in Autumn 2007.

Appendix:

Social enterprise and community transport

15 SOCIAL ENTERPRISE

- 15.1 Social enterprises are dynamic businesses with a social purpose working to deliver lasting social and environmental change.
- 15.2 Well known social enterprises include Cafedirect, The Big Issue, The Co-operative Group, Welsh Water (Glas Cymru), the Eden Project and Jamie Oliver's Fifteen, but there are many other social enterprises operating in a wide range of industries. In particular, there are some strong social enterprise CT organisations, such as Ealing CT Group and Hackney CT.
- 15.3 The social enterprise sector is incredibly diverse, encompassing co-operatives, development trusts, community enterprises, housing associations, football supporter's trusts, Social Firms and leisure trusts, among others. As a result social enterprises use a wide variety of legal forms; some incorporate as companies while others take the form of industrial and provident societies. From July 2005 social enterprises have also been able to register as Community Interest Companies, a new type of company specially designed for social enterprises who want to use their profits and assets for the public good.
- 15.4 The Government's Annual Small Business Survey 2005 and existing data for the social enterprise sector suggest there are at least 55,000 social enterprises in the UK with a combined turnover of £27billion per year. Social enterprises account for 5% of all businesses with employees and contribute £8.4billion per year to the UK economy - almost 1% of annual GDP.
- 15.5 Social enterprises have been around in all but name for many years, stretching back to as long ago as 1844 when, suffering at the hands of exploitative factory owners and shopkeepers who charged extortionate prices, 28 working men in Rochdale scraped together £28 to open their own shop – so heralding the beginning of the modern co-op movement. In recent years we have witnessed the growth of community enterprise, where businesses have evolved in poor and disadvantaged areas with the specific aim of improving the economic fortunes of their neighbourhoods. The voluntary sector, too, has become more innovative and enterprising – a review by the government has outlined a key role for entrepreneurial voluntary organisations in the delivery of public services.
- 15.6 More information is available at www.socialenterprise.org.uk, the website of the Social Enterprise Coalition.

16 SOCIAL ENTERPRISE AND CT IN CHESHIRE

- 16.1 In September 2006, a seminar for CT operators about social enterprise, trading subsidiary companies and future funding arrangements, was held in Northwich. The presentations by RATC and the Cheshire & Warrington Social Enterprise Partnership follow.