



AGENDA ITEM: **6 (c)**

CABINET: 17 January 2011

Report of: Borough Planner

Relevant Managing Director: Managing Director (Transformation)

Relevant Portfolio Holder: Councillor M Forshaw

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SUBJECT: Skelmersdale & Up Holland Demand Responsive Transport System

Wards affected: Skelmersdale/Up Holland Wards.

1.0 PURPOSE OF THE REPORT

- 1.1 To inform Members of the progress made into looking to provide a demand responsive transport system linking residential and employment areas in Skelmersdale and Up Holland
- 1.2 To seek authorisation to proceed with a pilot scheme funded through S106 commuted sums.

2.0 RECOMMENDATIONS TO CABINET

- 2.1 That authority be given to the Borough Planner to
 - (i) pilot a scheme to provide a demand responsive transport system to operate initially for 9 months with a review after 6 months linking residential and employment areas in Skelmersdale and Up Holland utilising S106 funds and to take all action necessary in relation to the scheme and
 - (ii) enter into a Service Level Agreement (SLA) with Lancashire County Council to ensure that formal agreement is in place regarding LCC's role in operating this service including how S106 money will be transferred to LCC to operate this service.

- 2.2 That the results of the pilot scheme be subject of a further report to Cabinet after the 6 month review.
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3.0 BACKGROUND

- 3.1 The Skelmersdale Roundabout Project was a demand responsive bus service developed with Government Urban Bus Challenge Funding and operated between 2003-2005. The cost of the project was £218,000 per year. In 2005 the Roundabout project was withdrawn as, although passenger numbers had started to grow, the service was unsustainable and relied upon subsidies. Following the withdrawal of the Roundabout service the West Lancashire Dial-a-Ride project has been able to help provide provision for some journeys, however, this scheme has not focused on employment, where it is believed the lack of adequate public transport has represented a barrier to local residents gaining employment. In addition in 2008 the West Lancashire Integrated Transport Review recommended that there was the potential to introduce a demand-responsive employment bus service in Skelmersdale.
- 3.2 Various stakeholder groups including Job Centre Plus (JCP) Skelmersdale and Ormskirk College, West Lancashire Community for Voluntary Services (CVS), Lancashire County Council (LCC), Primary Care Trust (PCT) and Quarry Bank Community association met to discuss the gap in transport provision within Skelmersdale. The group set up the Phoenix Community Transport Group to review the situation. This group gained funding from the Local Strategic Partnership (LSP) to review the gap in the market and provide impartial recommendations detailing the options for filling this gap.
- 3.3 The Integrated Transport Review recommended a demand responsive system using a social enterprise business model. This model was designed to allow the operation to be sustainable in the medium term. The steering group employed consultants to develop a Business Case into a more comprehensive Business Plan with assistance from the Borough Council and LCC. The business plan detailed a simple delivery model. This project required the commitment of LCC to provide 2 new buses, 'Kickstart Better Buses Funding' from the Department of Transport and Section 106 funding.
- 3.4 In March 2010 it was announced that the bid for funding from the 'Kick Start Better Buses' was unsuccessful. The loss of this 'Kick Start' funding had a major impact upon the viability of the business case for the project. Also Lancashire County Council no longer had the facility to provide any buses.
- 3.5 In July 2010 the LSP Transport Thematic Group recognised that the Phoenix Project as originally conceived would be unviable and officers from the Borough Council offered to discuss with the County Council whether or not there would be any alternative viable scheme that could be brought forward.

- 3.6 The County Council initially looked at possible alternatives to the Phoenix bus project. Their view was that there was no scope to run a scheme such as the old Roundabout project or Phoenix Bus proposal due to the large set up costs and questionable long term viability. Therefore they examined the possibility of a Demand Responsive Taxi (following a similar business model to the Burnley Employment Shuttle Transit service). They proposed a scheme that could operate solely as a means of transport between employment areas and residential areas and it would not be in direct competition with the existing West Lancashire Dial-A-Ride scheme or taxi firms. It would also have low start up costs plus there would be no need to purchase vehicles and there would be low running costs (no maintenance and no new booking facilities).
- 3.7 In November 2010 a report was taken to Cabinet explaining the updated situation following the failure to secure 'Kick Start' funding. This report also asked that Cabinet note the progress made so far and authorise officers to continue to work with LCC officers to further develop this scheme. At this meeting it was resolved that progress so far be noted and that once a pilot scheme has been more fully developed a further report be taken to Cabinet.
- 3.8 Unfortunately as a result of an internal restructure at LCC, the Council was subsequently informed that there was no longer the staffing resource available to take a lead role in this matter. This clearly created a problem in advancing the project as Borough council officers did not have the relevant expertise in this field.
- 3.9 Following a series of meetings to discuss this matter, the County Council agreed in November 2011 to reverse their original decision and to provide the necessary staffing resource to proceed with the scheme. LCC officers have since worked with Borough Council officers to work out the final details of the scheme.

4.0 CURRENT POSITION

- 4.1 LCC have made officers within the Environment Directorate available to implement and run the proposed service linking Pimbo Industrial Estate with residential areas of Skelmersdale.
- 4.2 As such LCC officers have recommended the establishment of a demand responsive taxi service, which would be operated by a transport contractor, using private hire or hackney carriage licenses. The contractor would provide the service using their own vehicles and would also operate the booking service. The contractor would be paid based on the number of in service miles that it provides on the service (we would not pay for mileage getting to and from the customer). Members of the public would be able to use the service, providing that they are members of the scheme. This scheme would be limited and have a strict criteria.
- 4.3 In order to become members of the scheme members of the public must demonstrate that:
- They cannot make the journey reasonably on the existing public transport network.

- They live within either Skelmersdale or Up Holland as defined within Map A (Appendix A)
- They are making this journey in order to access employment on the Pimbo Industrial Estate.

And also:

- They have been referred to this service by Job Centre Plus or a private employment/recruitment company as somebody whom transport has presented an obstacle to entering work; or,
- They have been referred to by a private companies HR department as being somebody who is new to the company and cannot reasonably access work due to a lack of public transport; or,
- They have been referred to by a private companies HR department as being an existing employee who is struggling to maintain employment due to transportation difficulties. This must be because their transportation circumstances have changed i.e their shift patterns have changed and fall outside of normal public transport hours/they can no longer car share or get a lift/their hours/wages have been reduced and they can no longer afford alternative transport methods; or,
- The individual has walking difficulties and/or is disabled and cannot reasonably access employment without this service.

- 4.4 It is recommended that a flat fare, based on existing bus fares in the area is charged for each single journey and, in addition, a saver strip be made available containing ten journeys at a cost of nine journeys. Fares paid by the passenger would be kept by LCC and offset against the cost of the service.

For example the following fares are available on Arriva's 375/385 service:

Skelmersdale Bus Station – Derby Arms (1 mile)	£1.70
Skelmersdale Bus Station – War Memorial (2 miles)	£1.90
Skelmersdale Bus Station – Firwood Road (2.5 miles)	£2.00
Skelmersdale Bus Station – Up Holland (2.5 miles)	£2.00

- 4.5 Officers recommend a flat fare of £2.00 and a multi journey saver strip of ten journeys for £18.00. Each one way trip represents one journey i.e. to travel to and from work using the service will cost the customer £4.
- 4.6 It is recommended that the service operates on a Monday to Saturday basis from 05.30 until 23.00 and passengers must book their journey with the contractor at least 24 hours in advance. Block bookings would be available. Previous work "Phoenix Roundabout – Initial Business Case Lancashire County Developments Ltd" showed that work shifts usually follow the following patterns:

06.00 – 14.00
 09.00 – 17.00
 14.00 – 22.00
 18.00 – 02.00
 22.00 – 06.00

4.7 The scheme will be publicised by Skelmersdale Job Centre Plus, Employment Agencies and employers on the Pimbo Industrial Estate to individuals meeting the criteria set out in paragraph 4.3

5.0 ESTIMATED COSTS

5.1 It is difficult to estimate how many people would use the scheme although we would expect the number of users to increase over time as the scheme gets established.

5.2 However, using the business case developed for the Phoenix Community Transport Group ("Phoenix Roundabout – Initial Business Case Lancashire County Developments Ltd") details use of the Roundabout bus service during February 2005. The following trips were made to Pimbo Industrial Estate and commenced from the stated areas of Skelmersdale :

	Ashurst	Birch Green	Digmoor	Old Skelmersdale	Tanhouse	Total
Pimbo	78	42	107	153	87	467

(Return journeys for full month of February 2005)

The following costs have been estimated for journeys to Pimbo Industrial Estate:

Estimated Annual Figures.							
	Single journeys	Est. av. mileage per journey	Est. av. passengers per journey	Total est. mileage	Est. Gross Cost	Est. Revenue	Net Cost
Ashurst	936	4	2	3744	£7,488.00	£3,744.00	£3,744.00
Birch Green	504	3.5	2	1764	£3,528.00	£2,016.00	£1,512.00
Digmoor	1284	2	2	2568	£5,136.00	£5,136.00	£0.00
Old Skelmersdale	1836	4	2	7344	£14,688.00	£7,344.00	£7,344.00
Tanhouse	1044	2.5	2	2610	£5,220.00	£4,176.00	£1,044.00
Total	5604			18030	£36,060.00	£22,416.00	£13,644.00

5.3 In these calculations the following assumptions have been made:

- Cost per in service mile of £2.00;
- Flat fare of £2.00 is charged;
- On average 2 passengers are carried during each journey. (The Burnley Best scheme currently operates with an average of 3 passengers per vehicle)

Please also note that the figures above have been based on an established service which did not have strict criteria for entry and it may take some time to build up to these levels. However, the contract would be tendered so that only those journeys made would be paid for by the Council.

	Annual Figures
Miles (in operation)	18030
Passenger Journeys	11208
Gross Cost	£36060
Revenue from fares	£22416
Net Cost of service	£13644
Subsidy per passenger journey	£1.21
Revenue to cost	62%

5.4 The above figures are estimated annual figures and show the revenue to cost (revenue as a percentage of gross cost) and subsidy per passenger (net cost divided by passenger journeys). Generally the County Council sets guidelines that it's subsidised services should have revenue to cost figure of greater than 40% and a subsidy per passenger of less than £2.00.

6.0 PROCURING THE SERVICE

6.1 LCC officers would procure the service through open tender, advertising in the Official Journal of the European Union (OJEU). The tender process would take a minimum of 77 days. There will be no charge for LCC procuring this service.

7.0 MANAGING THE SERVICE.

7.1 It is understood LCC officers would manage the service at no cost to WLBC. A formal Service Level Agreement (SLA) will be put in place between LCC and the Borough Council to ensure that the role and responsibility of the County Council is fully set out before this service goes ahead. LCC's involvement in this service will incorporate the following activities

- set up the Membership list and maintain it;
- ensure the contractor operates the service in compliance with the Contract;
- calculate payments due to the contractor and pay the contractor;
- take up any complaints from the service user with the contractor;
- review the service and provide WLBC with figures and information on the service to enable WLBC to make decisions on the future of the service.

8.0 FUNDING THE SERVICE

8.1 The estimated cost of running the service to Pimbo industrial estate for 9 months has been calculated at £10,233 with annual running costs likely to be a maximum of £13,644. Based on these figures officers estimate that the total cost of expanding the service across Skelmersdale and Up Holland would be less than £35,000 per annum

8.2 The Council has £143,625 S106 funding available from Walkers Snacks which must be spent on providing an alternative means of transport to the site located

on the Pimbo industrial estate. Officers have approached Walkers and they have indicated that they are supportive of the proposal. If Cabinet are minded to approve funding for the pilot scheme, and if Cabinet decide after 6 months that they would like to see the scheme rolled out across Skelmersdale and Up Holland this funding can be pooled with other S106 funds available for improving transport infrastructure in the locality.

- 8.3 In order to pay for this service the Council will transfer in advance an agreed sum of money from S106 funds to LCC to pay the operator of the service. The details of the amount and the method of payment will be stipulated within the agreed Service Level Agreement between both councils.
- 8.4 No money will be transferred to LCC until the SLA is completed.
- 8.5 Although transport services such as this are never fully self sustaining the Council does have sufficient funds to maintain this service for a number of years based on estimated costs.

9.0 VIEWS OF THE BOROUGH PLANNER

- 9.1 Clearly this scheme has the potential to provide real benefits to the local community by providing an affordable alternative transport solution allowing local residents who are most in need to access the local jobs market. However, there is a financial risk with the service. Therefore in order to give this scheme an opportunity to succeed and to avoid spending large amounts of S106 funding unnecessarily I recommend that Members authorise the use of S106 commuted sums to establish a pilot scheme to run for 9 months, that will be reviewed after the initial 6 months. There should be an option to extend this service after 6 months to a maximum of 5 years.
- 9.2 After the initial 6 months a further report will be taken to Cabinet detailing the progress of the scheme. It will be at this point that Members can decide whether to cease funding, to continue with the scheme in its existing form, or extend the scheme to expand across Skelmersdale and Up Holland.

10.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 10.1 If successful the transport system will meet many of the aims of the Sustainable Community Strategy. It will assist in getting people to work and will reduce the use of cars and therefore reduce the amount of carbon emitted. Thus it will have economic, environmental and social benefits.

11.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 11.1 The proposed pilot scheme will require public subsidy to function however this can be funded through existing S106 monies specifically acquired for such a scheme.

12.0 RISK ASSESSMENT

- 12.1 There is a risk that the amount of passengers will not meet expectations
- 12.2 Some of the Section 106 funding is ring-fenced specifically for improvements to public transport within Skelmersdale and contractually will have to be returned to developers if not spent within a set time scale for schemes such as that subject of this report.
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Background Documents

Phoenix Roundabout- Initial Business case Lancashire County Developments Ltd

Equality Impact Assessment

There is no evidence from an initial assessment of an adverse impact on equality in relation to the equality target groups.

Equality Impact Assessment

There is a direct impact on members of the public, employees, elected members and / or stakeholders. Therefore an Equality Impact Assessment is required A formal equality impact assessment is attached as an Appendix to this report, the results of which have been taken into account in the Recommendations contained within this report

Appendices

Appendix A (Map showing areas of Skelmersdale and Up Holland which can access the proposed service)

Appendix B Equality Impact Assessment