

CTA's Response to the Transport Select Committee Bus Market Inquiry

Introduction

1. This response is submitted by the Community Transport Association (CTA), a national charity working with thousands of other charities and community groups across the UK that all provide and support local transport services that fulfil a social purpose and community benefit.
2. Around 30 per cent of CTA's 1,600 members are charities whose main work is provision of community transport and they would typically use this label to describe their work. This form of community transport helps to address the quality, affordability and accessibility of transport options for people who cannot drive and don't have access to conventional public transport, especially in rural areas. It also recognises that some needs are best met through communities doing things for themselves.
3. This is about providing flexible and accessible community-led solutions in response to unmet local transport needs, and often represents the only means of transport for many vulnerable and isolated people. Significant user groups are older people and disabled people.
4. High levels of volunteer involvement, the ability to attract charitable funds, accessible vehicles and a not-for-profit business model all mean community transport is often a more reliable and resilient way of meeting a greater range of transport needs, especially for our more isolated and vulnerable citizens.
5. The other 70 per cent of CTA's members are charities, community groups and other not-for-profits who use the same permit regime to run transport to support their main charitable activities, such as scout groups, Age UK or RVS branches.

Executive Summary

6. We want to see better, more integrated local passenger transport networks that can meet more needs and be the first and best choice for making a journey.
7. A more sophisticated approach to how we think about and organise travel, through a more joined-up and demand-responsive passenger transport network will lead to benefits for people, the places they live and our carbon footprint.
8. To achieve this vision, community transport must be seen as part of the local passenger transport network and not just as an alternative to it. Almost absent from the big picture conversations about integration and multimodal travel and innovations like Mobility as a Service is the role of the voluntary sector, especially those working with people who currently face barriers to being fully able to access today's passenger transport.
9. Many of the trips CTA's members enable are 'everyday' journeys to visit shops, attend school and work, see family and friends, or reach medical appointments. Many experience taking passengers to their local train station or to reach a stop on the route of a commercial bus service, but it is more likely that they help people who would rarely or never consider a long-distance or multi-modal journey.
10. Community organisations are well placed to address travel and accessibility concerns and encourage modal shift by creating their own high quality, accessible and affordable demand-responsive solutions
11. Our commitment to 'transport localism' means we want people to have a say in shaping their local transport and creating community led solutions where they can. A more integrated passenger transport network that meets more needs has to be built from the ground up, building on existing assets and capacity within communities so that the 'ground-up' part is authentic and rooted in the experiences of people who know the patch and the priorities.
12. This includes involving a broader range of community organisations as a means of reaching into the world of people who rarely or never use other forms of passenger transport.

The effectiveness of DfT's bus policies

13. The deregulated market outside London limits the extent to which centrally driven initiatives to improve the availability and quality of services can have an impact. Initiatives such as the Bus Services Act 2017 have shown positive movements towards localising bus services and giving communities a greater say over how their services should be run. However, insufficient consideration of where community transport fits in means there is still much progress to be made on how community transport is perceived, funded and integrated.
14. Too often, community transport is considered a 'last resort' option, existing solely to fill gaps in the commercial network, rather than as a viable, valuable service in and of itself, which can be better integrated with that network and support its overall viability.

Bus Services Act 2017

15. The Bus Services Act has strengthened the powers of local leaders to shape local transport networks for the benefit of their passengers, who have also been given a greater say over what they should look like. It has strengthened arrangements for partnerships and equipped local authorities with franchising powers, while recommending that authorities consider how best to encourage and integrate community transport into the wider network of commercial and supported services.
16. The inclusion of community transport is positive, as the demand responsive service provided by community transport often means that operators are able to provide the first and last leg of journeys, which makes the overall journey possible. This is especially important in rural areas where people often live further away from their closest stop or station.
17. While the CTA welcome these new provisions, there is still more to be done to enable the Act to be used in the best interests of all bus passengers. The stipulation that only mayoral authorities can be automatically granted franchising powers seems to favour large metropolitan areas and overlooks the benefits that franchising would have in shire counties serving multiple rural locations. The CTA would recommend introducing provisions that facilitate the development of networks in rural areas in a way that is less cumbersome than the current process for non-mayoral authorities.

BSOG

18. CTA are supportive of the way in which BSOG is provided centrally to community transport organisations. Whilst there has been consideration in previous reviews of reforming the system so that BSOG for community transport is provided through local authorities, CTA support the current arrangement. This is because many community transport organisations

provide services separately from local authorities and central provision enables them to continue to do so, without compromising their eligibility for BSOG reimbursement.

Community Minibus Fund

19. One of the best ways of supporting bus services in general and community transport in particular in promoting the development of accessible transport is by Government helping to cover the capital outlay of operators. Commitments such as the Government's Community Minibus Fund has enabled hundreds of charities to obtain new accessible vehicles, expand their services, and make a bigger and measurable difference to their communities. The success of this scheme could be easily replicated by introducing a third round of funding. The second round of funding was aimed at operators who provide transport for educational organisations; the third could be targeted at setting up section 22 services that are open for public use with a focus on helping people reach education and employment.

20. Ilfracombe and District Community Transport, for example, worked in partnership with Barnstable Job Centre to run a 7-night-a-week bus service to support employees working at hotels, pubs and holiday camps get to and from work, creating employment opportunities and boosting the local economy. Similarly, Transport for Tongue, based in the Scottish Highlands, operate a daily return journey for students living in Melness, Tongue and Skerry to attend the North Highland College. Before this service began, the only public bus would arrive one hour before the start of the college day, and would return mid-afternoon, before the end of class. Because of Transport for Tongue's community bus service, students have been able to take advantage of educational opportunities many couldn't have accessed otherwise.

Accessibility

21. While it is positive that government measures, such as the Bus Services Act 2017, recognise the value of community transport and its delivery of accessible transport for vulnerable people, by encouraging local authorities to consider the merits of integrating CT into partnership arrangements and franchises, more can be done to legislate to improve accessibility in transport.

22. The current configuration of transport regulations encourages silo working. This means that taxis, small buses, and cars, which may all be carrying the same passengers with equal levels of risk, are regulated in different ways. As new app responsive technologies have emerged, regulations have further failed to keep pace with innovation. In order to improve accessibility we believe that the Government must look holistically at the current transport regulations, and look at establishing a common framework for accessibility that is passenger, not mode, specific.

23. Moreover, where Government is unable to financially reward the work of community transport operators, there should be greater efforts to encourage their work. For example, discounted/free parking for volunteer drivers and specialist parking and set-down points for community minibuses would help to improve the accessibility of high streets, enabling community transport operators to better assist passengers closer to their destinations.

How bus services are provided to isolated rural and urban communities and their dependence on services

24. Community transport services are run for a social purpose and community benefit, often where the market has failed to provide services that can cater for the full range of needs within a community. This is due either to 'unprofitable' services being reduced, withdrawn or altered, leaving communities either without service altogether or with limited services that do not meet needs; or because the commercial services that are available are inaccessible particularly to those with mobility issues, such as the elderly and disabled.

25. Contrastingly, community transport services are operated on a non-profit basis, meaning that they have greater resilience – the point at which they would declare something unviable can come much later than a service whose principal aim is to generate shareholder value. Services are either provided through timetabled section 22 services or demand response services run under a section 19 permit which offers door-to-door transport predominantly for those with mobility issues.

26. Section 22 permits enable a not-for-profit entity to run local bus services for the benefit of the community. They often use minibuses rather than traditional buses, enabling them to operate routes with low levels of frequency and patronage, such as those serving rural villages, cost-effectively. The number of community bus permits that have been issued each year are published in the Traffic Commissioners' annual reports. In 2016/17 this was 271 permits.

27. One of the most important aspects of community transport is that it is accessible and therefore inclusive of user groups who have been excluded from the conventional transport network due to physical or psychological barriers. Community transport vehicles are often wheelchair accessible, with rear passenger lifts and convertible spaces, while drivers and passenger assistants are professionally trained to assist passengers with mobility issues.

28. By enabling people to connect to vital public services, such as shops, GP surgeries, hospitals, as well as to social activities and community hubs, community transport is integral to helping lonely and isolated people to lead healthy, independent lives.

29. On top of this, drivers and volunteers go above and beyond to care for and support passengers on their journeys, and to create safe, sociable environments on the vehicles themselves. Operators know their passengers by name and the journeys themselves are also considered to be a social setting where hitherto isolated passengers can socialise, make friends and hear about the news.
30. Community transport operators also work on specific projects to tackle loneliness and isolation, either on their own or in collaboration with local organisations, local authorities and health groups. A number of community transport providers form local groups to encourage isolated and lonely people to leave their homes and interact with others. These consist of Travel clubs, offering excursions to the seaside, gardens, stately homes, etc.; social clubs, where members meet to enjoy activities such as poetry and art; and mental health groups, such as memory clinics and dementia groups, which offer dementia and social isolation training courses and general support and advice for those with low level anxiety, stress and depression.

The viability and sustainability of bus services, including the effectiveness of funding, fare structures and public grants

31. Most bus services outside of London are independent of any commissioning. Where services are commissioned, it is the less profitable, but socially necessary services that are subsidised by local authorities. Subsidised services may include services run by community transport operators, who also set up services under their own volition to meet unmet needs.
32. Hence, commissioning of services tends only to be responsive to failure – where the market has failed to provide socially necessary routes, the local authority steps in to subsidise; where the local authority fails to subsidise a route, community transport steps in to meet demand. There must be a better way of integrating both profitable services, delivered by the market, and socially necessary services, delivered by local authorities and community transport, that can improve efficiency and increase resilience across the bus system.
33. The CTA therefore believe that current commissioning practice needs to be examined and reformed. To this end, we recommend:

Maximising social value by

- i. **Directly commissioning socially necessary services** – all too often, local authorities expect community transport operators to deliver services that meet unmet needs, without commissioning them to do so. Instead, community transport providers are encouraged to bid for contract work with the expectation that the funds accrued from these contracts can be used to deliver additional services that create social value. This process could be made much more efficient and effective through direct commissioning, which would also address current concerns about community transport operators fulfilling certain types of services to subsidise other beneficial services.

- ii. **Making social value and quality of service a priority in the commissioning process** – often commissioners focus on cost when awarding contracts and are only required to ‘consider’ social value. This approach often leaves the most vulnerable in our communities without service because their needs are not deemed to be sufficiently profitable. The Government needs to provide the framework for local authorities to rethink how services are commissioned to prioritise ‘social goods’ and deal with them away from market solutions which don’t always fit with what local authorities might want to achieve. The Minister for the Cabinet Office has committed to extending the scope of the Social Value Act to make it an explicit requirement of central government contracts; the CTA recommend that this is extended to cover local authority contracts, too.

Improving integration

34. Commissioning of service in the UK is rarely joined up and this can often lead to poor integration across different types of services. Better integration is not about more money or new rules, rather it is about better use of resources already in place. Often services are commissioned in isolation, or without reference to the wider public need. All services when commissioned need to show how they will integrate with existing service and help provide a greater plurality of provision. Quality in commissioning should not just be considered in terms of routes offered, fares or frequency of service, but accessibility for the greatest number of passengers must be placed at the heart of quality service commissioning practice.

35. Across Europe there are examples of services being commissioned in a joined-up manner that creates an integrated passenger network across different modes of travel. The STAR transport network in Rennes, France, for example, has sought to increase the accessibility and effectiveness of their network by linking metro lines with reduced mobility demand responsive services. This is integrated with passenger information systems (which includes integration of non-travel related information such as weather forecasts) and combines

traditional transport solutions with bike share schemes, development of electric bike rental and car sharing.

36. This type of integrated commissioning of service, which combines the profitable bus and metro routes with demand responsive services encourages community transport services to integrate service around transport hubs and encourages local authorities to ensure that services they commission and pay for through subsidies and grants, link to other services and wider transport provision.

Regulations affecting bus service provision and the quality of guidance to operators and local authorities

37. The Department for Transport's proposed reforms to the use of community transport permits are already impacting on the sustainability of services and undermining the unique social value that community transport delivers.

38. While DfT have written to local authorities informing them that it is premature to end contracts or change commissioning practice, many members of CTA across the UK have been affected by unilateral action from local authorities, who have prohibited community transport operators holding a section 19 permit from bidding for contracts previously undertaken by them.

39. Many community transport services established under section 22 permits were commenced to deal with gaps in the market. Section 22(1)(b) of the Transport Act 1985 states:

"in providing a community bus service and (other than in the course of a local service) carrying passengers for hire or reward where the carriage of those passengers will directly assist the provision of the community bus service by providing financial support for it."

40. These routes are not financially viable for the market and the 1985 Act allows for financial subsidy through utilising the bus and infrastructure in other ways to subsidise the service.

41. The DfT consultation proposals place this model of community transport under threat and, given the unprofitability of these services, many communities will be left isolated and without service as a result. The loss of community transport provision will also significantly impact local authority budgets as taxis, a significantly more expensive option, may be the only alternative to community transport. Moreover, according to the Government's Inclusive Transport Strategy, only 2% of PSVs are accessible nationally, meaning that there will be a huge shortage of required vehicles.

42. Community led section 22 services are clearly non-commercial given the unprofitability of the routes. The abrupt change in commissioning practice by local authorities, without DfT guidance changes in place and the uncertainty about the future of section 22 services places community led initiatives under threat.

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