



Community Transport Review

DATE:	27 October 2020	CONFIDENTIALITY:	Public
SUBJECT:	Dial a Ride Review		
PROJECT:	70077892	AUTHOR:	Helene Bataille
CHECKED:	George Burnett	APPROVED:	George Burnett

INTRODUCTION

Readibus has been a pioneer in the operation of “Dial a Ride” (DaR) in the UK and has been operating a DaR and other forms of Community transport services for the last 39 years. Their DaR network is well established within the area of / and surrounding Reading.

Readibus operates as a charity and has been sponsored via grants from multiple local authorities for most of its life, the largest funder being Reading Borough Council (RBC). Recent changes in government policies encouraging a more formal procurement of DaR services, means that Readibus services are now “contracted” and Readibus has been receiving a contractual payment rather than a grant from Reading Borough Council since 2018.

As part of the 22-month contract with RBC starting from June 2018, Readibus’s scope of operation was expanded to include the provision of transport for “Social Services” on behalf of RBC, this included the transfer of vehicles and staff. The contract price was set at £600k in the first year, reducing to £525k in the second year and an option for a 3rd year extension at an agreed rate of £450k per year. An extension was agreed for FY 2020/2021. RBC would like to understand that the DaR represents value for money before deciding on the future of this contract.

The aim of this technical note is to:

- Understand the general state of the community service industry including DaR in Southern England by comparing three other DaR operators’ performance;
- Provide a high-level review of the Readibus existing performance; and
- Discuss and conclude on the value for money Readibus offers to RBC.

The findings will support RBC in deciding the future of Community transport DaR operation in the Borough.

DAR OPERATIONS IN SOUTHERN ENGLAND

The operation of DaR in the UK varies between areas and Boroughs. The majority of the DaR services are either provided by not-for-profit organisations, social enterprises or charities. Examples of these in Southern England include Readibus, Keep Mobile (Wokingham), Community First (Hampshire), SCiA (Southampton), Brighton and Hove Community Transport, Compaid (Kent), HCT (Bristol), People2Places (Windsor and Maidenhead) and Bustler (Woking) to cite a few.

These organisations’ activities are not always entirely focused on DaR Transport, and most organisations operate other types of community transport alongside DaR. These includes planned transport to social clubs, social services, day trips and other forms of social transport. It is not unusual for these organisations to take on some contracted work such as the transport of SEN children to school, transport to surgery or

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hospital on behalf of the NHS, which permits them to earn additional income, often using available resources.

Three Community service operators providing DaR service were selected to compare some of their performances with Readibus. The selection was based on similarity of service offered, fleet size, geographic location and to some extent where data was publicly available. The data presented is derived from desktop research including information found in financial statements' primarily 2018/2019 and 2019/20 where available and other publicly available data sources.

Woking Community Transport (WCT) - Bustler

Woking Community Transport (WCT) was founded in 1991 and is a registered society under the Cooperative and Community Benefit Societies Act 2014 regulated by the FCA. The Group provides accessible door to door transport to those who would otherwise be socially excluded because of poverty, disability or age.

It is based in Woking and relies upon grants from Woking Borough Council and Surrey County Council to provide Dial a Ride, Centre and Group transport services. Additionally, under contract, the Group provides services to SCC (Home to School and Adult & Community Care) and is working with the NHS (North West Surrey Clinical Commissioning Group) and the South Central Ambulance Trust in respect of Hospital related non-emergency patient transport; transport to some medical hubs and, additionally, WCT Bustler provides a town centre buggy service. These contracts allow the fleet to be increased and for resource utilisation to be improved.



WCT Bustler operates around 50 vehicles mostly accessible minibuses; WCT is proactive in fleet renewal and is keen to promote innovation as they recently acquired two fully electric minibuses, apparently the first such vehicles to be used on DaR service in England.

The Community operation undertakes around 117,000 passenger journeys per year. The Dial a Ride service itself caters for around 39,000 passenger journeys per year in Woking (33% of the total).

The Dial A Ride service is available to young and old alike, whether the mobility difficulty is as a result of permanent or temporary disability, age, accident or illness. There are just below 3,000 users registered for all services.

The service operates between 09.00 am and 4.30 pm Monday to Friday, and between 09.00 am and 1.30 pm on Saturdays – all times refer to first and last pick-ups.

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The Dial a Ride fares range from £3.50 to £3.90 per single journey dependent upon the distance travelled and there is no annual administration fees.

The Dial a Ride service is entirely based on demand and does not follow fixed itineraries.

Other than the direct income from Dial A Ride fare and contracts, WCT applies for financial assistance from Woking Borough, the amount is seen to reduce every year and was set at £236,480 in 2019/20 and set at £227,670 for 2020/21. WCT also received an annual contribution from Surrey County Council of around £42,500 per year. The number of miles operated is not disclosed. WCT does not receive reimbursement for concessionary permits.

Based on information retrieved, it is believed that each DaR passenger journey in Woking is subsidised by an average of £7.15. This represents an average subsidy for DaR service of £2.82 per inhabitant of Woking and surrounding districts in 2019/20.

The Bustler operation is highly rated by the industry and was recently subject to a Parliamentary review under the “Best Practise Sponsor 2020”.

Compaid, Operator of Kent Karrier

Compaid is a charity which provides training and Community Transport services to mobility impaired people in the South East of England. It was founded in 1986. Compaid community transport includes services to school, hospitals; clinics; shopping centre and longer outings to the coast, local attractions and theatre trips. A part of the transport activity also supports a service for other charities, social services, health authorities and private organisations. Compaid also operates “The Kent Karrier” scheme on behalf of Kent County Council; a fully accessible dial-a-ride service which takes disabled and elderly people directly from their door to the nearest town center.



The scheme is administered by Kent County Council (KCC), and Compaid delivers the service on behalf of KCC in seven districts: Tunbridge Wells, Tonbridge & Malling, Sevenoaks, Maidstone, Swale, Ashford and North West Kent.

The Kent Karrier service covers a large mix of rural and urban areas; the Dial a Ride services differs depending on locations but are either generally semi-planned and area based providing link from towns and

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villages to main town centres. Not all areas are served every day and areas and days of services are planned in advance (See Ashford illustration on the right). This approach minimizes the number of vehicles required but is a far less extensive service provision than pure DaR which is designed to offer a doorstep to doorstep facility.

Time of operation vary per areas and in some area the services are available in the off peak only.

Compaid operates around 22 accessible minibuses, including one fully electric minibus. It caters for around 31,000 passenger journeys per year.

The Dial A Ride service is available to people:

- with medical condition that makes travelling on public transport difficult,
- who live in a rural area more than 500 metres from a bus route or railway station,
- who are aged 85+.

There are just below 1,800 users registered for all Compaid transport services.

There is a £5 annual administration fee (payable to KCC) and a fare is charged for each journey generally based on distance, starting from £2.80 + 90p per miles. Concessionary fare passes are not valid for travel on Kent Karrier services.

Other than the direct income from the Dial A Ride fare, Compaid receives local government support in form of grant and contract. These are shared between transport and training, and it is estimated that around £430,000 is allocated to transport. Based on information retrieved from the Financial statement, it is believed that each DaR journey is subsidised by an average of £13.77 per passenger journeys. It is difficult to bring back this figure to a cost per head of population due to the size of the area covered. The size of the area and the longer journeys also explain the high subsidy.

Pick up locations (from your door)

First pick-up from 10:00am

Monday

- Boughton • Challock • Charing • Chilham • Eastwell
- Godmersham • Molash • Pluckley • Westwell • Brook
- Hinxhill • Crundale • Wye • Hastingleigh • Old Wives Lees

Tuesday

- Aldington • Bilsington • Bonnington • Boughton • Eastwell
- Mersham • Ruckinge • Sevington • Smeeth • Westwell
- Wye • Brabourne • Brook • Hastingleigh • Hinxhill

Wednesday

- Great Chart • Kenardington • Orlestone • Shadoxhurst
- Warehorne • Woodchurch • Wye • Brabourne • Brook
- Hastingleigh • Hinxhill

Thursday

- Boughton • Eastwell • Westwell • Appledore • Biddenden
- High Halden • Newenden • Rolvenden • Stone • Tenterden
- Wittersham • Brook • Hastingleigh • Hinxhill • Wye

Friday

- Bethersden • Charing • Egerton • Hothfield • Little Chart
- Pluckley • Smarden • Westwell • Wye • Brabourne
- Brook • Hastingleigh • Hinxhill

Town Centre set down/pick up points

Return pick-up from 1:00pm

Ashford

- Bank Street • Park Street • Shopmobility • Asda
- Waitrose • Designer Outlet Village • Rail Station
- William Harvey Hospital • Tesco (Willesborough & Park Farm)
- Sainsbury's • Julie Rose Stadium • Cineworld • Dobbies

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People to Places (Windsor and Maidenhead)

People to Places is a charitable organisation providing community transport and Shopmobility services and operating since November 1989. People to Places offer a variety of services, targeting people with mobility issues. People to places operates a Dial a Ride service and the “Taps” sponsorship which offer £100 worth of community transport journeys for restricted groups.



The Dial a Ride users need to meet the following criteria:

- Be an RBWM resident;
- Be unable to use public transport due to disability, illness, vulnerability or social isolation; and
- Not have a council issued bus pass (or be willing to surrender this).

The Taps users shall additionally comply with one of the following:

- Registered blind or partially sighted;
- Have a permanent and substantial disability, with difficulty or an inability to walk;
- Have a learning disability; or
- Are ineligible to drive a motor vehicle on the grounds of physical fitness.

People to Places operates around 17 accessible minibuses. It caters for around 32,000 passenger journeys per year. There are just over 500 users registered for all People to Places transport services.

There is annual fee to access the service varies between £9 and £16 a small subsidised fare is charged for each journey.

Based on information retrieved from the Financial statement, People to Places receives around £414,000 from 15 Local Government contracts and it is believed that each community transport journey is subsidised by an average of £12.87 per journey. This represents an average subsidy for community service of £2.73 per inhabitant of Windsor and Maidenhead Borough in 2018/19.

Conclusions

The study of three southern England DAR operations lead to the following conclusions:

- The DaR operators almost always provide other forms of community transports alongside DaR, often extending their services to customers requiring “social care” transport. They also operate contracts where required such as for SEN, the NHS and others. The mixed operation allows optimisation of fleet utilisation which ultimately leads to a reduction in the level of subsidy per trip.

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- DaR operators are generally non-profit organisations which need to be heavily sponsored by local authorities, to provide a service the private sector cannot operate commercially.
- DaR operators are generally well established in the communities in which they operate, often with 20 years or more experience in their areas.
- The DaR operation varies between individual door to door trips, which is the case in Woking, to planned and semi-fixed routes which is the case with Compaid in Kent. This probably depends on the resources available, size of operation and dispersion of demand.
- The Community Transport Industry was somewhat pressurised by potential challenges to the interpretation of transport license legislation in 2017/2018, as the DfT issued consultation and clarification on the use of section 19 and 22 licensing requirements under the Transport Act 1985 which the community transport operators have traditionally relied upon. This led to uncertainties for the future of some DaR operation and meant that some operators held on before making further investment in that period. This seems now to be resolved.
- While the subsidy per passenger journeys varies from between £7 and £14 per passenger journeys, the DaR subsidy per inhabitant seems to be around £2.60 to £2.85 per year for the operation of the service.
- It should be noted that the figures provided in this technical note are based on publicly available data and in order to undertake a more in-depth comparison additional data would need to be provided by each operator. Nevertheless, the figures produced appear to be credible in WSP's experience.
- Concessionary fares are not accepted on the three DaR comparator services considered.

The table below provides a range of subsidy for community transport or DaR where available:

Table 1: Estimated subsidy per passenger journeys and inhabitants.

Area / Provider	Subsidy per passenger journey	Subsidy per inhabitant	Source
Woking_Bustler	£6.92 (DaR only) (2019/2020)	£2.82 (DaR only) (2019/20)	Woking Borough Council _ application for financial support (2020/21)
Kent_Karrier_Compaid	£13.77(All)	na	Financial Statement Analysis 2019/20
Maidenhead & Windsor	£12.87 (All)	£2.74 (All) (2018/19)	Financial Statement Analysis 2018/19
Readibus	£7.64 (All) £7.80 (RBC DaR only)	RBC DaR Only £2.61 (2018/19)	Financial Statement Analysis 2018/19

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- Finally, the Community Transport sector seems generally concerned by the environment and is eager to innovate. This is demonstrated by the recent introduction of electric vehicles or optimised routing and booking software for some operations.

READIBUS

Readibus Activities

ReadiBus is a non-for-profit organisation which aims to cater for a wide range of mobility and accessible transport needs. Its activity includes dial-a-ride services, transport of SEN students under contract, a limited football service for FC Reading supporters for home matches, excursions and day trips. These are all accessible for people with restricted mobility who cannot use the widely available mainstream bus services operated in Reading and its surroundings. A small amount of additional revenue is also achieved via delivery of training and bus hire.

Readibus operates 7 days a week for 16 hours a day. Fares are distance based using map-based grid squares. The lowest fare is £2.50 and the highest is £5.00. Concessionary fares are accepted on the DaR services in Reading and Wokingham, but not in West Berkshire, and reimbursement is received from the two councils concerned.

Readibus Operational Performances:

In FY 2018/19, Readibus supported 146,000 bus journeys from 3,000 users. About 100,000 journeys are made by Reading BC residents, including 77,000 on the DaR service. These were delivered using a fleet of over 20 minibuses which operated around 300,000 miles.

Readibus published its performance statistics in 2019/20 as follows:

- 98% journey requests met;
- 98% of requests met within 30 minutes of requested time;
- 90% of journeys are repeat journeys;
- 10% are one-off ad-hoc journeys; and
- Customer complaints were 0.4 per 1,000 miles operated.

Readibus results appear to demonstrate continuous improvement in operational mileage efficiencies.

Financial Performance

Information retrieved from the Charity Commission in England and Wales website relates the reported income and expenditure of Readibus since 2015. Figure 1 shows the overall income over expenditure. The reporting figures indicates that income has covered between 95% and 106% of the expenditure over the last four years, averaging 101% overall over the whole period.

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Figure 1: Readibus Income & Expenditure

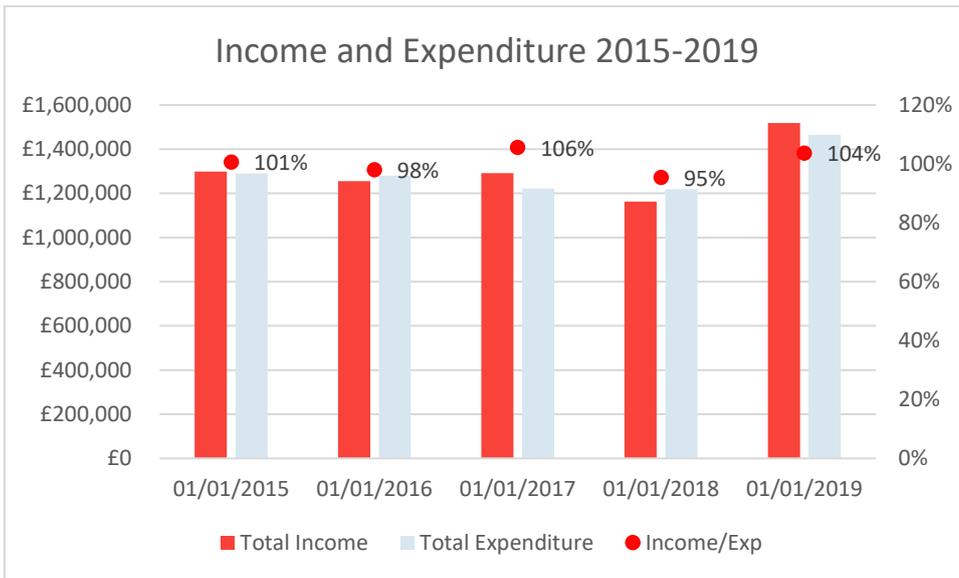


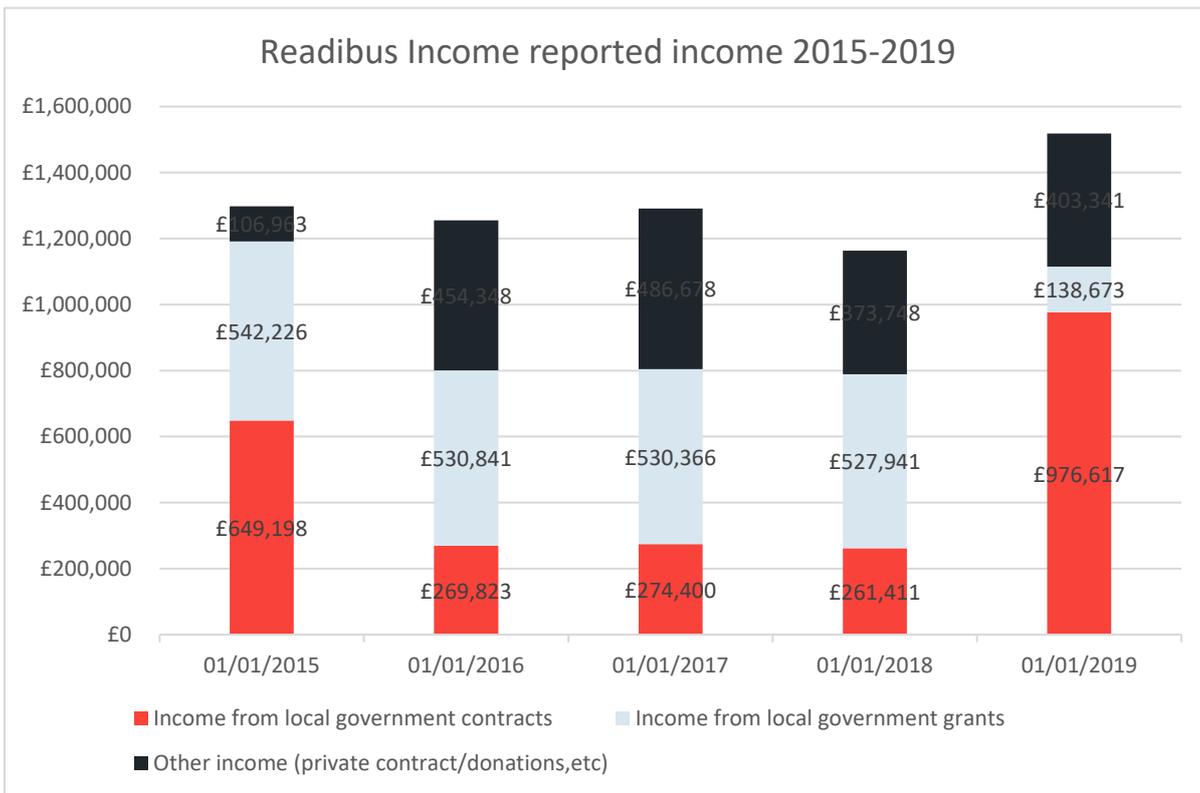
Figure 2 indicates Readibus income sources; the majority of the income is generated by local government grants and local government contracts. While Reading Borough Council is the major contributor, the entities below also contributed to the total income:

- Wokingham Borough Council
- West Berkshire Council
- Woodley Town Council
- Wokingham Town Council
- Shinfield Parish Council
- Wargrave Parish Council
- Earley Town Council
- Goring Parish Council

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Figure 2: Readibus Income per Categories.



The annual statement shows a total expenditure of £1,464,100, compared to an income of £1,518,600, creating a net revenue of £54,500k for that year. It also shows an increased available fund of £570,900 at the end of the year 2018/19. A portion of these funds was allocated to future fleet renewal and compliance with licensing requirement (equivalent to the purchased on 6 new buses (£360,000) and 60,000 for licensing).

The annual financial statements describe each year context, targets and achievements. Key events to recall in Financial Year 2018/19 were:

- The switch of Reading Borough Council grant to contract;
- The transfer of social care transport service to Readibus operation;
- Redundancies to optimise operation; and
- Uncertainties over the future licensing requirement which led to a delay in making new vehicle purchases.

The annual financial statement for FY2019/20 is not yet available but key events are expected to be:

- Reduction of income from Reading Borough Council in line with the contract provisions;
- Significant reduction of funding from other sponsors such as West Berkshire Council; and

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- The short and long term impacts of Covid-19.

Subsidy

Based on information retrieved from the financial statement, Readibus receives around £976,617 for contract(s) and £138,673 from 9 local government grant(s) in 2018/19. It therefore appears that each community transport journey was subsidised by an average of £7.64 per journey in 2018/19.

When looking at Reading residents' journeys only and the Reading contract figure of £600,000 for DaR service only for year 2018/19, the subsidy increases to £7.80 per passenger journeys.

This represents an average subsidy for RBC DaR operation (DaR Only) of £2.61 per inhabitant of Reading Borough Council's area in 2018/19. This is 7% lower than observed in the Woking DaR operation (£2.82). However, applying the agreed reduction in contract cost the subsidy figure will reduce to £2.28 for Financial year 2019/20 and below £2 in 2020/21 (as illustrated in Table 2)

Table 2: Expected DaR subsidy per RBC inhabitants.

Financial year	RBC DaR Contract	Population in RBC	Subsidy per inhabitant in RBC
2018/19	£600,000	230,000	£2.61
2019/20	£525,000	230,000	£2.28
2020/21 (anticipated)	£450,000	230,000	£1.96

Fleet

The Readibus fleet is composed of 23 vehicles, all minibuses. Three of these are dedicated to contracts. The Pre-COVID services required the operation of 12-15 minibuses each day, reduced to 8 vehicles currently.

This indicates a high number of spare vehicles, partly due to:

- The need to allocate specific vehicle on specific route or mobility requirements; and
- Probably in addition potential mechanical reliability issues.

Vehicles are kept for 15 years and new vehicles are purchased, not leased.

The average fleet age is 9.1 years. Readibus have been cautious in buying new buses in the current financial conditions. The newest vehicle was purchased in 2017. The 3 vehicles passed to Readibus by RBC under the new contract are the oldest in the fleet dating from 2006.



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This partially explains why there appears to be a low operational requirement compared with the fleet strength. The planned reduction of income/funding from local authorities will also almost certainly result in fleet renewal continuing to be a slower process than is ideal. In normal circumstances it would be necessary to buy 1-2 vehicles every year in order to maintain fleet strength and ensure all vehicles are no older than 15 years without storing up significant capital purchase problems for the future.

COVID

The Covid-19 crisis has impacted Readibus both in terms of demand and services provided.

Although demand reduced, the number of hospital trips increased and to destinations further away from Reading and, of course, seating capacities on vehicles were severely reduced to ensure social distancing is observed.

Initially, 20-30 staff were furloughed, but have now been brought back, and the operation is returning to a more normal situation, although social distancing still has to be observed, which can result in less optimal journey scheduling and additional costs.

Passenger journeys, between 2018/19 and 2019/20 shows a reduction of 14% on all community transport in RBC and 10% in DaR service, with 3 months of operation in 2019/20 being affected by Covid-19 restrictions.

Conclusions

- Readibus DaR appears to provide an optimised service to the residents of Reading, and desktop analysis demonstrates that 'subsidy' is in the lower range of the £7 to £14 per passenger journey costs observed elsewhere.
- When considered as a figure per inhabitant, the Readibus DaR contract shows a subsidy of £2.61 for 2018/19 per head of population in RBC, likely to decrease to £1.96 with reduced funding. By comparison, this would be 30% less than that observed in the award winning Bustler operation in Woking.
- Reduced contract prices with RBC and other funding reduction from West Berkshire for example, have make Readibus' future more uncertain, one impact of which has resulted in a very cautious approach to fleet renewal.
- Funding reductions have inhibited the ability of the organisation to improve services and Readibus feels it has been obliged to extend the life of its fleet to cope with financial pressures.
- Readibus was a pioneer provider of DaR services and recognised as a leader in innovation in the sector. Unfortunately, this appears to be no longer the case and whilst other DaR operators have moved forward by, for example, reducing emissions and pollution through the introduction of electric



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vehicles, Readibus has to concentrate on retaining existing levels of service and has had to put aside innovation and expansion of services to those socially most in need.

- While the long-term effects of the pandemic crisis are still uncertain; the operation of DaR is likely to continue to be essential in order to mitigate the risk of increasing self-isolation by higher risk groups such as the DaR users. Innovation and fleet optimisation could become key in delivering this challenge.