

REPORT TO: CITY DEVELOPMENT COMMITTEE – 24 MAY 2010

REPORT ON: PROPOSALS TO ENTER AN AGREEMENT WITH DUNDEE COMMUNITY TRANSPORT LIMITED TO DELIVER A PILOT DEMAND RESPONSIVE TRANSPORT SERVICE IN DUNDEE

REPORT BY: DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 126-2010

1 PURPOSE OF REPORT

- 1.1 This report seeks the approval of the Committee to offer a conditional grant to, and enter a lease agreement with Dundee Community Transport Limited (DCT Ltd). The grant will be used to deliver a pilot Demand Responsive Transport (DRT) service in Dundee and strengthen the Community Transport sector in the city.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee:
- a notes the progress being made towards the introduction of a pilot door-to-door DRT service in Dundee.
 - b remits the Director of City Development, the Depute Chief Executive (Support Services) and Director of Finance to offer a conditional grant to, and to enter a vehicle lease agreement with, DCT Ltd in FY2010/11 to provide a pilot DRT service.

3 FINANCIAL IMPLICATIONS

- 3.1 TACTRAN has made provision in the Regional Transport Strategy Delivery Plan for a capital allocation of £125k to establish an urban DRT pilot and this will be used by Dundee City Council to purchase vehicles and other equipment that will be then leased to DCT Ltd in order to establish and operate a pilot DRT service. The FY2010/11 TACTRAN budget has a further £30k of revenue funding allocated to the development of DRT projects across the TACTRAN area and this can be accessed by DCT Ltd.
- 3.2 Through the agreement, the City Development Department will provide financial support to DCT Ltd from its existing DRT budget. £40k revenue funding will be made available to DCT Ltd for the period of the agreement.
- 3.3 The agreement with DCT Ltd will commence approximately three months prior to the pilot DRT period and is expected to last for 15 months.
- 3.4 Payments to DCT Ltd will be made by advance quarterly instalments.

4 BACKGROUND

- 4.1 A report submitted to the Best Value Sub-Committee of the Policy and Resources Committee in June 2005 (258-2005) recommended that the Council identified where there was a lack of access to mainstream public transport and considered alternative service delivery methods, such as DRT systems.
- 4.2 A report submitted to the Planning & Transportation Committee on 8 December 2008 noted the approval by the TACTRAN board of the regional sub-strategies. The sub-strategy on Buses (including DRT) included a commitment to ensuring key destinations were served by DRT.

- 4.3 TACTRAN commissioned consultants SDG to research the demand for DRT in the TACTRAN area and recommend a preferred delivery model. This study was completed in spring 2009. It provided evidence of unmet demand and recommended the piloting of a DRT service in the Mid-Craigie and Linlathen area. The study supported the development of the Community Transport (voluntary) sector in Dundee.
- 4.4 A DRT service in Dundee will significantly enhance the travel opportunities of a particularly vulnerable client group. By providing an affordable transport service with a door to door element, elderly and disabled people who currently have much reduced levels of community participation will be able to access an increased number of services and amenities. This will reduce health inequality and help reconnect communities.
- 4.5 Community engagement was undertaken in January 2010 through letters, questionnaires, focus groups and a public meeting. The DRT project was given the provisional branding of the Buzz.
- 4.6 It is envisaged that the pilot DRT service will include two key elements. A semi fixed route operating between the pilot area and Dundee City Centre (CityBuzz) and a fully flexible service (FlexiBuzz) operating to various locations across the city. Members of the public will have the option of using the semi-fixed route but the fare level set is expected to deter travel by people who do not hold a National Entitlement Card. This approach will avoid abstraction from commercially operated bus services.
- 4.7 DRT projects have been successfully developed in urban and rural communities across the UK. Notable Scottish examples include DRT services in Aberdeenshire, Fife and the Stirling area. There are a variety of delivery models but the active involvement of the voluntary sector (community transport social enterprises) in providing these services is common to many.
- 4.8 Up until FY2007/08, Dundee City Council received a grant through the Urban Community Transport Initiative (UCTI) from the Scottish Executive. The Sustainable Transport Team now holds a budget of approximately £108k per annum to support the continued development of community transport and DRT in the city. The Friendly Bus service has been funded from this budget but its funding will not be directly affected by the introduction of DRT.
- 4.9 DCT Ltd is a registered charity (SC036755) set up in 2005. It is currently in the process of altering its constitutional status from unincorporated association to company limited by guarantee. The agreement will commence once the new constitutional status has been confirmed. This is expected in June 2010.
- 4.10 DCT Ltd currently has no salaried members of staff and receives no financial support from the Council. It has previously received financial support from various funding bodies and this has allowed it to purchase and maintain two vehicles (minibuses) that are available for group hire. A number of the DCT Ltd committee members are experienced voluntary sector professionals.
- 4.11 The pilot will be in operation for approximately 12 months (starting late summer 2010) and will be evaluated in the second half of that period. A report will be prepared for the City Development Committee towards the end of the DRT pilot period and this will provide information on the outcomes that have been achieved through the development of the pilot DRT service.
- 4.12 The outcome of the evaluation will determine whether a DRT service should be extended throughout the city of Dundee. The potential to serve cross-boundary communities will also be assessed. The evaluation will assess the social return on investment, evaluate financial implications, consider future fleet management issues and explore alternative delivery options - including procurement of DRT services from a range of other potential transport providers.

- 4.13 If the evaluation report recommends that DRT should be operated city-wide and subsequently Dundee City Council approves this recommendation the procurement process will be based around a new and separate contractual agreement and not formed as an extension to any pilot agreement.
- 4.14 If the pilot is a success, it is envisaged that DRT operations may replace the Taxicard scheme in the longer term (subject to committee approval). DRT will generally be a less expensive option for passengers and the number of trips that can be made will not be limited. During the period of the pilot, DRT will operate in tandem with the current Taxicard scheme.

5 LEGAL AGREEMENT BETWEEN DUNDEE COMMUNITY TRANSPORT LTD, TACTRAN AND DUNDEE CITY COUNCIL

- 5.1 A Legal Agreement between Dundee City Council, TACTRAN and DCT Ltd will facilitate the transfer of revenue grant funding from the Council and the Regional Transport Partnership to the voluntary sector. The grant will be used by DCT Ltd to employ staff necessary for the delivery of the DRT service and meet other revenue costs associated with the running of vehicles and operation as a social enterprise. In return, DCT Ltd will commit themselves to meeting a minimum level of service provision. The level of service expected (e.g. hours of operation, routes served) will be detailed in the agreement.
- 5.2 Dundee City Council will source an appropriate number of accessible vehicles which will then be leased at a nominal charge to DCT Ltd for the duration of the pilot period. This will enable DCT Ltd to deliver the level of service detailed in the agreement.
- 5.3 DCT Ltd will recruit and employ appropriate staff (full-time, part-time and volunteers) to ensure that the expected level of service is provided. Specifically, a project manager will be employed on a full time, fixed term contract.
- 5.4 DCT Ltd will arrange maintenance of all vehicles in accordance with legislative and licensing requirements.
- 5.5 DCT Ltd will ensure that all operations comply fully with the appropriate licensing requirements as set out in the Transport Act 1985 and Local Transport Act 2008. It is not intended that DCT Ltd vehicles will be licensed under the Civic Government (Scotland) Act 1982.
- 5.6 DCT Ltd will ensure all staff are appropriately licensed and trained in the carriage of people with reduced mobility.
- 5.7 DCT Ltd will be responsible for financial management and ensuring its responsibilities are met within budget.
- 5.8 DCT Ltd will be responsible for ensuring appropriate insurance is in place for the employment of staff and the delivery of passenger transport services to the public. For the avoidance of doubt the insurances to be affected and maintained will be Employers Liability Insurance, Public Liability Insurance and Motor Insurance. No liability will attach to Dundee City Council as a result of the exposures covered by these insurances.
- 5.9 During the pilot period, Dundee City Council or a partner agency is expected to provide the telephone booking service (i.e. take requests for journeys).
- 5.10 The Sustainable Transport Team Leader will be the monitoring officer for this agreement. The monitoring officer will meet regularly with DCT Ltd committee members and DCT Ltd employees throughout the period of the agreement.

- 5.11 The agreement will contain standard early termination clauses including repayment of grant and return of leased vehicles.
- 5.12 Failure to comply with agreed overall performance targets will also trigger repayment of grant if the targets are not met.

6 POLICY IMPLICATIONS

- 6.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty and Risk Management. A Rapid Equality Impact Assessment has also been undertaken.
- 6.2 The development of DRT in Dundee will support TACTRAN in meeting its overarching objective of 'improving accessibility for all' as set out in the Regional Transport Strategy.
- 6.3 The development of DRT in Dundee will help achieve Outcome 4C of the Dundee Single Outcome Agreement – improved health for older people and Outcome 10 – improved transportation links to community regeneration areas.

7 CONSULTATIONS

- 7.1 The Chief Executive, Depute Chief Executive (Support Services), Director of Finance and Assistant Chief Executive have been consulted and are in agreement with the contents of this report.
- 7.2 The Director of TACTRAN has also been consulted during the preparation of this report and is in agreement with its contents.

8 BACKGROUND PAPERS

- 8.1 Committee Report 553 – 2008
- 8.2 Committee Report 258 – 2005. This best value report defined DRT in section 9.4.

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NHG/JB/EB

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