
Decision Session
– Executive Member for City Strategy

11 May 2010

Report of the Director of City Strategy

OPERATION OF CITY OF YORK COUNCIL'S DIAL & RIDE SERVICE

Summary

1. This report sets out the arrangements for the day-to-day operation of the Council's Dial & Ride service, which is currently delivered by the charity York Wheels.
2. Dial & Ride is a Council service for York residents who cannot use other local bus services either because they cannot get to a bus stop or need extra assistance at either end of their journey. Most passengers are older people with a range of disabilities. For this reason, it is essential that the Council ensures that all staff who come in contact with passengers – both booking and scheduling and driving staff – are fully aware of passengers' needs and take these into account, offering the appropriate level of assistance in each instance.
3. This report examines the implications for continuing with the current arrangement, procuring the service or bringing the operation in-house.

Recommendations

4. The Executive Member is asked to consider instructing officers to tender the day-to-day operation of Dial & Ride externally, including vehicle maintenance (as set out as Option 2 in this report).

Reason: To ensure that the Council continues to operate a high quality Dial & Ride service whilst ensuring that it is getting the best value for money across all aspects of the operation. To ensure that the service operates efficiently.

Background

5. Dial & Ride is a Council service for York residents who cannot use other local bus services either because they cannot get to a bus stop or need extra assistance at either end of their journey. It uses three Council-owned minibuses with wheelchair lifts to provide journeys from all parts of the city to the city centre, edge-of-town shopping destinations and to Dolphins swimming sessions at *Energise*. The service also provides home-to-school journeys for students with special educational needs. In 2009/10, Dial & Ride provided a

total of 15,658 passenger journeys and this usage level has remained stable over several years.

6. York Wheels is a registered charity and a company limited by guarantee. It provides transport for medical and social needs to people who have difficulty using public transport and taxis. In 2009/10, York Wheels provided approximately 27,500 passenger journeys through its voluntary car scheme.
7. The Best Value Review of *Transport Procurement* carried out in 2000 identified that transport services for the elderly in York were uncoordinated. At that time, Tees East and North Yorkshire Ambulance Service was operating Dial & Ride with no involvement from York Wheels. The review then recommended that the Council should provide management support to assist York Wheels to develop and to be able to integrate the booking of Dial & Ride services with its own operation.
8. In 2003, the Council transferred the day-to-day operation of its Dial & Ride service from the Ambulance Service to York Wheels. The reasons for this were set out in the Report to the meeting of Executive Member for Planning & Transport and Advisory Panel on 17 June 2003, which followed on from the Best Value Review and set out how the Council should implement the recommendations. The key points from the Report are summarised below:
 - a. The Council wished to support and develop the role of the voluntary sector in providing transport. York Wheels is the primary voluntary sector provider of transport services in York. The Council expected that greater use could be made of the Dial & Ride vehicles outside of the core hours of operation for services that would directly benefit the local community.
 - b. The Council wished to see better integration of community transport services. The client group for Dial & Ride and York Wheels are similar – they are both for residents who need extra assistance in booking and travelling and tend to be older people – but there is little duplication between the two services. The report recommended that there could be efficiency savings by combining the booking and operation of these two services and the expectation was that this could be achieved in the medium term by transferring the day-to-day operation of Dial & Ride from Council offices into York Wheels' office at York Hospital.
 - c. Tees East and North Yorkshire Ambulance Service no longer wished to operate the service.
9. Following the decision by the Executive Member in 2003, the Council negotiated and agreed a service level agreement with York Wheels that was signed off on 7 March 2005. The key points of this agreement for each party were as follows:
 - a. York Wheels would provide all driving and administrative staff to operate the service, which included co-ordinating both the journeys and other items such as vehicle maintenance.

- b. The Council would pay York Wheels an hourly rate for staff based on actual hours worked, excluding staff leave.
 - c. The Council would provide the working capital for the service, including the vehicles, booking software and office accommodation. The Council would allow York Wheels, with prior agreement, reasonable use of the Dial & Ride vehicles outside of the core hours of operation of Dial & Ride.
 - d. The Council would ensure that arrangements were in place and pay for all non-staff operating costs.
 - e. The Council would continue to plan the service structure of the Dial & Ride service, including the destinations served and the timetable in consultation with York Wheels.
10. The Council signed a second service level agreement with York Wheels in April 2009 that ran for one year. This document updated some of the minor details from the original agreement but did not change any of the points made in paragraph 9 above. The Council has just extended this service level agreement (by obtaining a waiver as per the Council's financial regulations) until 31 March 2011 to enable this important service for vulnerable users to continue and provide sufficient time for the next steps to be agreed and implemented.
11. The Council continues to provide office accommodation for the booking service in its St Leonard's Place offices. York Wheels has not been able to combine the two offices due to limited space at York Hospital. Therefore, there are still two separate booking systems and telephone numbers for passengers – one for Dial & Ride (01904 551441) and one for York Wheels (01904 630080).
12. In 2009, the Council secured funding from Yorkshire Forward, the Region's Development Agency, through its Rural Access to Opportunities Programme for the *York Peak Rural Bus Service* project. This project will trial a peak rural bus service using Dial & Ride vehicles outside of their core hours of operation. The Council plans to start this service in autumn 2010, which the Council will procure either as part of the Dial & Ride service or separately, depending on the outcome of this Decision Session. The Programme will also jointly fund the purchase of two new Dial & Ride vehicles to improve the quality and reliability of the aging fleet, with the additional funding allocated from the Council's Local Transport Plan Capital Programme.

Financial considerations

13. The financial value of the service to York Wheels in 2009/10 was £74,983. Because of the financial cost to the Council of operating the service over the year, the Council's financial regulations state that procurement of services of this value should be subject to competition. The value over three years would also reach the threshold requirement to advertise in the Official Journal of the European Union, which is currently £156,442.

14. The total net cost to the Council of operating the Dial & Ride service in 2009/10 was £110,000 (net of £32,000 fare and contract income), based on estimated outturn figures at 29 March 2010.
15. Dial & Ride drivers provide more passenger assistance than drivers do on local bus services. For example, they may assist passengers from their front door to their seat on the bus, help with loading shopping onto and off the bus and load, unload and restrain wheelchairs on the vehicles. Because of this, a direct comparison to local bus services (for example, using financial subsidy per passenger) is not appropriate.

Consultation

16. Councillor Gillies has suggested that there might be scope to work in partnership with Little Red Bus (Harrogate District Community Transport). If the Council tenders the operation of Dial & Ride, as set out in Option 2, all operators, including Harrogate District Community Transport, would have the opportunity to bid for the contract. There is also scope for Harrogate District Community Transport to work in partnership with York Wheels, the local community transport provider. Councillor Healey has asked the following questions, which are listed below with officer comments:
 - a. How long will the next contract period be and will it include any breaks? Local bus service contracts can be up to five years and, normally, the Council would try to bring the contract for Dial & Ride into line with this. If Option 2 is pursued, the Council may issue a shorter contract with a potential extension based on performance during the initial period.
 - b. What is the passenger satisfaction with the current service? The Council has not carried out any specific passenger satisfaction surveys. However, it is currently undertaking a survey about proposed changes to the timetable, which is likely to generate other comments (as did a previous survey in 2008). In general, the service is very much appreciated by passengers and staff receive plenty of praise.
 - c. What is the capacity for York Wheels to be 'scaled up'? York Wheels is a voluntary sector transport provider and there is scope for it to expand its services if it chose to do so. Its main limitation is its office at York Hospital, which is very small.
17. The non-ruling groups' spokespersons have been consulted over the options presented in this report. No other responses had been received at the time that this report was published.
18. York Wheels has been consulted over the options presented in this report. No response had been received at the time that this report was published.

Options

19. Option 1. Instruct officers to renegotiate a service level agreement with York Wheels for the day-to-day operation of Dial & Ride. This option will include setting and reviewing strategic targets on an annual basis to ensure the continuing improvement of assisted travel services for York residents.
20. Option 2. Instruct officers to tender the day-to-day operation of Dial & Ride externally, including vehicle maintenance.
21. Option 3. Instruct officers to bring all aspects of the operation of Dial & Ride in-house.

Analysis

22. A full analysis of each option is included in Annex A of this report.
23. Option 1 will ensure the greatest level of support for the voluntary sector. It also gives the opportunity to support other voluntary-sector transport services, primarily York Wheels' volunteer car scheme. In the longer term, efficiencies might be gained, for example by combining the booking facility of Dial & Ride and York Wheels' own services. The Council is a signatory to the *York Compact*, which is a high level agreement setting out how the public and voluntary sectors will work together in the city. Continuing support to York Wheels will demonstrate the Council's commitment to this. It will also indirectly affect the delivery of the Local Area Agreement, ensuring that target NI7 – *Environment for a thriving third sector* – is met. For the Council, it will also ensure that staff-related costs remain relatively stable. However, by staying with the same supplier, this service will not be subject to competition and therefore potential savings and efficiencies through subjecting this service to market forces will not be realised. It will also add complexity to the joint operation of the trial peak rural bus service.
24. Option 2. This option simplifies the operation of the service and will establish Dial & Ride as an externally provided service in the same way as other contracted local bus services. The Council's role after a contract is agreed will be better focussed on contract management and monitoring. By establishing a formal contract, the Council will be able to better control price rises throughout the period of the contract. The contract could also have in place clauses that give incentives to the supplier to drive out inefficiencies. It is uncertain whether York Wheels would bid for a contract on this basis or whether it would be successful. This option offers little benefit for the voluntary sector. There is a risk that a successful bidder may not offer the same level of passenger assistance than is currently provided by York Wheels. However, the Council can reduce the likelihood of this by the inclusion of quality-testing elements within the procurement process and relevant clauses in the contract. Similarly, the service provided by the administrative staff goes beyond the recording of journey requests. Some people who use the service need more support, for example, they may forget to book a journey or make a mistake when booking due to medical reasons. With a small number of administrative staff that understands their individual clients' needs, passengers receive a high quality service.

25. Option 3. This option simplifies the operation of the service. This option also allows the Council to plan its budgets more effectively, although the total cost may be higher than at present. The Council would also be responsible for ensuring that there are sufficient numbers of trained staff available to provide cover during periods of leave. However, this option will not subject the service to competition and therefore potential savings and efficiencies through subjecting this service to market forces will not be realised. As per option 1, it will also add complexity to the joint operation of the trial peak rural bus service.

Corporate Objectives

26. This service meets the following Corporate Objectives:
- a. Thriving City. The York Peak Rural Bus Service will connect rural residents to employment.
 - b. Sustainable City. The York Peak Rural Bus Service will encourage modal shift away from private car journeys. The new vehicles that have already been secured will meet the Euro V emission rating.
 - c. Safer City. Dial & Ride provides a safe mode of travel for older and disabled residents.
 - d. Inclusive City. Dial & Ride provides travel for people who could not access other local bus services. It allows people to maintain their independence and live in their own homes for longer.

Implications

• Financial

27. There is currently a net budget for the Dial & Ride service totalling £118,000 (excluding capital charges). The tendering exercise could result in a reduced net cost of providing the service to the Council. The procurement costs can be contained within current budgets.

• Human Resources (HR)

28. There are no human resource implications as a direct result of this report. Option 3 would have human resource implications for the Council and this would need to be investigated if this option is chosen. Under Option 2, any procurement exercise would need to specify that there was already an operator providing this service and that Transfer of Undertakings (Protection of Employment) Regulations would apply.

• Equalities

29. There are no equalities implications as a result of this report as there are no changes to the service proposed.

- **Legal**

30. This report contains comments from Procurement Officers where appropriate.

- **Crime and Disorder**

31. There are no crime and disorder implications.

- **Information Technology (IT)**

32. Option 2 would require the Council to pass its passenger database, including the contact details of all existing passengers, to a successful external bidder. Advice has been sought from Audit & Risk Management. In this situation, the contractor would be a *data processor* working for the Council, which remains the *data controller* in the context of the Data Protection Act. The contract would specify that the contractor could process the data for the purpose of fulfilling the contract and no other purpose.

33. There are no other information technology implications.

- **Property**

34. There are no property implications.

- **Other**

35. There are no other implications.

Risk Management

36. In compliance with the Council's risk management strategy, no significant risks have been identified arising from the recommendations.

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Report Approved



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Specialist Implications Officer(s)

Financial

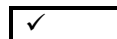
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Wards Affected: *List wards or tick box to indicate all*

All



For further information please contact the author of the report

Background Papers:

Report: "Transfer of Dial and Ride to York Wheels", to meeting of *Executive Member For Planning & Transport and Advisory Panel* (17 June 2003).

Annexes

Annex A – Analysis of Options