



House of Commons  
Transport Committee

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**Passenger transport in  
isolated communities:  
Government Response  
to the Committee's  
Fourth Report of  
Session 2014–15**

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**Eighth Special Report of Session  
2014–15**

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### Committee staff

The current staff of the Committee are Gordon Clarke (Clerk), Nick Beech (Second Clerk), Alexandra Meakin (Committee Specialist), Adrian Hitchins (Senior Committee Assistant), Stewart McIlvenna (Committee Assistant), and Hannah Pearce (Media Officer)

### Contacts

All correspondence should be addressed to the Clerk of the Transport Committee, House of Commons, 14 Tothill Street, London SW1H 9NB, The telephone number for general enquiries is 020 7219 6263; the Committee's email address is [transcom@parliament.uk](mailto:transcom@parliament.uk)

# Eighth Special Report

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On 22 September 2014 we received a response from the Government to the Transport Committee's Fourth Report of 2014–15, Passenger transport in isolated communities, which we publish with this Special Report.<sup>1</sup>

## Introduction

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The Department for Transport is pleased to have the opportunity to respond on behalf of HM Government to the conclusions and recommendations of the Transport Committee's ("the Committee's") report on Passenger Transport in Isolated Communities. The Department welcomes this report, and the contribution it has made to the debate around this matter.

## Government Response

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### Isolated communities

**Recommendation 1: The DfT should draft a definition of 'isolated communities' for use in central and local government that captures isolated urban, rural and island communities. We recommend pteg's available-accessible-affordable-acceptable model as a practical starting point. When such a definition has been agreed, the DfT must actively promote its use across Government Departments to facilitate joined-up policy making. (Paragraph 7)**

Response: Working with other departments and the geography team in the Office for National Statistics we will look at the feasibility of agreeing a robust definition of isolated rural and urban communities. We will certainly look carefully at the work pteg has undertaken, however that model was developed in the context of metropolitan areas that are largely urban. Its suitability for use in sparsely populated rural areas will need to be examined carefully.

### Isles of Scilly

**Recommendation 2: We welcome the discussions between the Council of the Isles of Scilly and the DfT on introducing subsidised travel based on social need. The DfT must recognise that the people living on the Isles of Scilly are an isolated community and that they consequently need support to access healthcare and other vital services on the mainland. We expect the DfT to set out the result of those discussions in its response to this Report. (Paragraph 11)**

Response: The Department recognises that, for Isles of Scilly residents, accessing vital services can be more difficult and challenging than for people living on the mainland. We

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<sup>1</sup> HC 288, published on 22 July 2014.

also appreciate that the difficulties have been more pronounced in the last couple of years, as a result of extreme weather events and the discontinuation of the helicopter services.

Nevertheless transport services to and from the mainland continue to operate without public subsidy as has always been the case. Indeed there has been a renewed investment by the private operators of the Skybus service with increased services to redress the loss of the helicopter service.

In addition the public sector has contributed to the improvement of infrastructure, including a new hard runway at Land's End airport, which will make it more resilient to flooding. Combined with over £7m of funding from DfT for improvements to St Mary's and Penzance Harbours, which will improve freight handling and increase the viability of new or replacement passenger ferries to the Isles of Scilly within the commercial sector.

We hope these investments will improve the reliability of the transport links on which the residents of the Isles of Scilly depend although we recognise that there is a need to think about resilience in the longer term.

The Council of the Isles of Scilly met with Baroness Kramer in June, a meeting that is referred to in the Select Committee report. In that meeting a residents' discount scheme was mentioned by the Council as an option but not discussed in depth. This contrasts with the emphasis given to the suggestion in the newspaper report quoted in the Select Committee's report.

The Department welcomes the renewed efforts of the Council of the Isles of Scilly, particularly the setting up of a Transport User Forum, and continues to consider that the Council should take the lead in building a consensus among the public and key stakeholders about the strategic long-term vision for transport and develop an evidence based long-term strategy. The strategy would need to look at how the transport system can continue to meet residents' needs, deliver the services on which they depend, and consider what, if any, further public support might be needed in the future. The case for any specific intervention by Government would need to be made in the context of an overall strategy, and would need to be supported by evidence and a consideration of options.

## Vulnerable groups

**Recommendation 3: Policy making to deliver passenger transport in isolated communities must address the needs of all vulnerable groups. To facilitate fairness and joined-up provision, policy makers must avoid trade-offs between generations or between vulnerable groups of people. (Paragraph 13)**

**Recommendation 4: The DfT must recognise that passenger transport provision is fundamental to achieving the objectives of the Department of Health, the Department for Work and Pensions and the Department for Education in isolated communities. The DfT needs to work with those Departments and other concerned agencies to secure targeted funding that provides passenger transport services for young people, people with low incomes and unemployed people who live in isolated rural and urban communities. To meet that target, the DfT will need to take a leadership role on behalf of isolated communities to facilitate cross-departmental and multi-agency working. (Paragraph 15)**

Response (to 3 and 4): Improving accessibility for all is at the heart of the remit of the Department and we work closely with a number of other Departments including Environment, Food & Rural Affairs, Health, Work and Pensions, and Communities and Local Government.

As one example, DfT and Defra meet regularly with commercial and community transport representatives, local authorities, members of Rural Community Councils (RCCs), and others to discuss ways to enhance rural transport provision. The Rural Transport Reference Group is currently examining options for the joint commissioning of non-emergency patient transport, and ways to enhance the availability and sustainability of Wheels to Work schemes. These discussions have involved representatives from both the Departments of Health and Work and Pensions respectively. Defra and DfT have also convened a group of operators, local authorities, Non Government Organisations, and Rural Community Councils to promote sector-led best practice to address gaps in rural transport for young people, and we expect recommendations from the Rural Transport Working Group to be published later this year.

We work with the experts involved in delivering and commissioning services on a local level, and with those who know their areas best, because we believe that local communities, local government and transport operators are best placed to identify practical solutions.

We are therefore keen not to prescribe centrally one method, but instead allow local communities, local government and local transport authorities the freedom to make the right decisions for their communities. The Government's aim is to open up services to new providers, like charities and social enterprises, so we get more innovation, diversity and responsiveness to public need. We believe the provision of public transport in isolated communities is an area that should benefit from this approach.

DfT's commitment towards an accessible and inclusive transport network is reflected in the Department's published Business Plan 2012-2015 which commits us to: "deliver better access to jobs and key services through an accessible and socially inclusive transport system, by removing the barriers to travel and ensuring that social impacts are addressed in policy development and service delivery" as part of the Coalition Government's wider social inclusion agenda.

The Government is also committed to the principle of 'rural-proofing' new policies. Indeed the commitment was re-affirmed with a revised set of Guidance published in July 2013. We await the findings of the independent review of each Government Departments' performance in this regard. Although rural-proofing is not isolated community-proofing, they have much in common, and an Impact Assessment undertaken for a new policy should consider similar potential impacts, be it for an effect in an isolated community or rural area.

## Bus services

**Recommendation 5: We welcome the protection of the BSOG in the Spending Review 2013, but note that that freeze will not address the gaps in service provision caused by the 20% decrease introduced in 2012. (Paragraph 17)**

Response: We welcome the committee's acknowledgement of the Government's decision to protect BSOG as part of the 2013 Spending Review. The earlier decision to reduce the BSOG rate as part of the 2010 Spending Review has to be seen in the context of the very difficult economic times in which we found ourselves, and the BSOG budget had unfortunately to take its share of the burden at that time.

Nevertheless, the Government is very conscious of the crucial role the bus network can play in supporting social inclusion and connecting isolated communities, and this was reflected in the decision last year to protect BSOG. What is more, as part of a series of reforms which we introduced recently, a proportion of the BSOG budget has now been devolved to individual local authorities. This will give them greater freedom to influence what bus services are needed to serve their local communities, such as those in more isolated areas.

**Recommendation 6: We welcome the initiative shown by Nexus in introducing its draft Quality Contract in Tyne and Wear. Given that no Quality Contract has yet been agreed using the powers in the Local Transport Act 2008, this will be an important test case in determining whether Quality Contracts are a viable means by which to deliver bus services. (Paragraph 20)**

Response: It is for individual local authorities to determine whether a Quality Contract for Services (QCS) is the best way to deliver their public transport policies. Proposed schemes are examined by a QCS Board chaired by a traffic commissioner. Although the Government is aware of the current proposal in Tyne and Wear, it would be inappropriate to comment further.

## Stimulating demand

**Recommendation 7: Bus operators have a vested interest in maintaining and stimulating interest in their services through effective marketing. The DfT must work with the bus industry to facilitate and co-ordinate the dissemination of best practice in order to maximise revenue and to minimise costs. (Paragraph 24)**

Response: The Government would agree that promotion of bus services is essential in order to attract and retain passengers. And it is self-evident that in the deregulated market, there is a direct commercial benefit for private sector operators in growing patronage which is why we see many examples of innovation in the sector geared towards that objective. There is also much common ground between the commercial objectives of bus operators and the transport policies of local transport authorities. High performing bus markets are often those areas where partnership working between industry and local government is most effective. The role of central government is not to advise the private sector how to run a business, but government can help to highlight and promote examples of good practice, as DfT and Defra are doing in their work with operators and others through the Rural Transport Working Group highlighted above, and to provide opportunities for investment that can improve bus services such as we have done through the Local Sustainable Transport Fund, Green Bus Fund and Better Bus Area Fund.

When the services in question are directly funded by local authorities – the context for the comment attributed to the Campaign for Better Transport (in Paragraph 23) – there is a

direct financial benefit to councils in effective promotion and marketing of those services. This was a point made strongly in the tendering guidance that the Department for Transport published in October 2013.

## Community Rail Partnerships

**Recommendation 8: Community Rail Partnerships are a cost-effective way to facilitate passenger transport in isolated communities, but their future viability may be threatened by a funding shortage. The Association of Community Rail Partnerships must lead the CRP sector in taking up the offer of financial help from the Association of Train Operating Companies. It must also work with train operating companies and the DfT in sharing best practice on maximising revenue from fare collection. (Paragraph 30)**

Response: The Association of Community Rail Partnerships (ACoRP) is funded by DfT, see response to Recommendation 9. ACoRP are pro-active and work closely with the community rail sector and rail industry to support community rail. They will do all they can to encourage financial help from other organisations such as Association of Train Operating Companies (ATOC) and are well aware of the funding challenges. They have been active at designing alternative models which keep local rail partnerships intact when funds are short. Initiatives include the creation of Community Interest Companies allowing, for example smaller contributions from councils and a corresponding larger contribution from the train companies.

ACoRP are members of the DfT's National Community Rail Steering Group and in that forum regularly discusses funding measures and shares best practice on strategies that lead to higher passenger numbers on rural networks. They provide an extensive range of 'best practice' notes, reports, specialist information and newsletters. Much of this is available on their website.

**Recommendation 9: We welcome the DfT's recognition of the value of Community Rail Partnerships. The DfT must translate its support for Community Rail Partnerships into ring-fenced funding to reinforce the sector, which is a proven means of harnessing the power of volunteering to deliver passenger transport in isolated communities. (Paragraph 31)**

Response: The Department provides core funding to ACoRP, the umbrella organisation for all Community Rail Partnerships (CRPs) and rail user groups. This funding covers several grant schemes that allow community rail partnerships to develop projects such as marketing campaigns, station improvements, passenger information and schemes involving community engagement.

We recognise that there are funding challenges for some Community Rail Partnerships. However DfT will continue to work with ACORP and the wider rail industry to develop strategies that will help reinforce the community rail sector.

Volunteers play a valuable role in the support of community rail. Around 4,000 volunteers contribute over 1.2 million hours of work, bringing around £27 million of extra value to the rail industry. Research has shown that every £1 invested in a CRP can bring £4.60 in

benefits. A joint research report on the Value of Community Rail Partnerships and Volunteering will be published in the autumn of 2014.

Volunteers are involved in many activities including gardening, promoting rail in local communities, campaigns, preparation and distribution of publicity material and station watches. Many are members of station adoption or rail user groups and some may hold an official post such as chair or treasurer. The elected 'chairs' of a Community Rail Partnership are unsalaried and yet play a major role in the success of the partnership.

## Community transport

**Recommendation 10: Community transport has an important role to play in all isolated communities. The DfT must extend its financial support for community transport to all isolated communities rather than only supporting such services in rural areas. (Paragraph 34)**

Response: The Government agrees that community transport operators provide a crucial facility, with over 15 million passenger trips provided by at least 2,000 community transport organisations in England last year. In support of this, astute budget management by the Department for Transport allowed for £20 million of funding to be provided over 2 years (2011 and 2012) to 76 local authorities to help support community transport in linking rural and isolated communities to jobs and services.

In addition to this, the Department pays Bus Service Operator's Grant (BSOG) to community transport operators, and part of the BSOG that was recently devolved to local authorities included an amount in respect of their own in-house community transport operations. In total, BSOG paid in respect of community transport services is about £7.8m. Furthermore, the Department provides £200,000 every year to the Community Transport Association (CTA) to support the national and regional development of the community transport sector in England.

However, given their greater knowledge and experience of local transport issues, we feel it should be for local transport authorities, working in partnership with their communities, to identify the right solutions that meet the economic and environmental challenges faced in their areas and deliver the greatest benefits for their area.

Local Authorities can use a variety of sources of finance, whether from central government or locally raised, to fund the provision of Community Transport.

**Recommendation 11: Central Government and local authorities are being unrealistic if they expect voluntary community transport projects to compensate for decreased bus services. Although community transport has an important role to play, in practice it does not serve all sections of the community and therefore cannot substitute for bus services. (Paragraph 37)**

Response: The Government is committed to supporting buses and recognises the importance of public transport for communities. Inadequate transport provision is a very real concern and can be a barrier to personal wellbeing and the prosperity of all, particularly people living in rural or isolated communities. We also feel that it would be far



too simplistic to view community transport services as a like-for-like replacement for regular bus services in response to decreased bus provision.

However, the community transport sector has been building capacity and is able to offer services that address local needs and increase patronage where commercial bus services are not viable. Community transport can offer a diverse range of solutions, including transportation for social/community groups, dial-a-ride, shopmobility schemes, community bus services, social car schemes, as well as the provision of passenger assistants and travel buddies.

This range of services can encourage growth and reduce isolation by linking individuals and communities to existing transport networks, work, education, shops and services.

## Total transport

**Recommendation 12: We welcome the DfT's support for total transport, which has the potential to revolutionise transport provision in isolated communities by making more efficient use of existing resources. The DfT must work with local government to co-ordinate large-scale total transport pilot schemes in a range of urban and rural communities. We expect the DfT to report back to us with an interim evaluation of progress on such trials by July 2015. (Paragraph 42)**

Response: The pooling of passenger transport services where possible has the potential to make more efficient use of resources. As explained elsewhere in this response the Government has sought to ensure that Departments are joined-up when developing and implementing policies for transport, or relating to transport, in all areas and for types of communities, including those that are isolated.

There are related initiatives already being investigated by Government, they include the piloting of Community Budgets, where at the local level, the funding for public services can be pooled across different public sector organisations, in order to reap the efficiency benefits available from pooling the delivery of related services.

The Government also introduced the Delivering Differently programme that is piloting in 10 areas new ways of providing services traditionally delivered by the public sector. The new ways include providing the services by staff-led mutual organisations, by setting up joint ventures with the private sector, and by the public sector working with voluntary and community groups.

In passenger transport, the Government considers that local communities via local authorities and community groups, are best placed to identify what transport and related services might be pooled in their area. The DfT currently has no plans to run a pilot of Total Transport. However, in October last year, the DfT published best practice guidance on local authority tendering for transport services<sup>2</sup>. Among other things, this provides detailed advice on the benefits of commissioning services across sector boundaries, which has the potential to deliver large benefits – by making more effective use of existing resources at lower cost. In keeping with the Government's wish to deliver differently, the

DfT would also consider what assistance and advice it could provide to local authorities or community groups wishing to pursue a joined up approach and how it might help to share the experiences that results from such local initiatives across the country.