

New Bus Service Proposal

232 The Daffodil Line

Further information for Ross-on-Wye Town Council

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Ross-on-Wye
Town Council

Buses4Us
community action for better public transport



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Background

In early June, council representatives from Ledbury, Ross-on-Wye and Newent attended a meeting setting out the case for a new bus service connecting the three towns and replacing the old Stagecoach 32/132 services discontinued in February.

Council representatives were asked to consider putting a proposal to each of their councils for a pledge of financial support towards the set up and first year running costs of the new service.

The pledge suggested for each council - as a guide - was £3 per voter. This came to £15,000 for Newent, £24,000 for Ledbury and £26,000 for Ross.

Newent and Ledbury have subsequently agreed the full amount of the requested pledges.

A number of questions have arisen and gaps in the original documentation have been highlighted.

This document seeks to answer those questions and fill those gaps.

The Amount Requested

A pledge of £26,000 has been suggested for Ross-on-Wye Town Council. This equates to £3 per Ross voter or 42p per month for a band D household.

We felt that suggesting residents in each of the towns contribute at the same level was equitable, and the 42p per household, per month would be affordable for most, even in these times.

However, the amount was a suggestion, and each town should do what it feels is right for its residents: pledging more, or less, or indeed nothing at all if that's what is felt to be right.

One Year Only

The Buses4Us group is committed to securing the financial support needed to keep the new bus service on the road for at least 3 years.

We are not asking for the same 3 year commitment from councils.

At this stage the request is for a one-off pledge of funds from the 2023/24 budget only.

If the service shows signs of being a success it may well be that we come back to the council next year and ask for further contributions.

However at this stage we have no way of knowing what the amount would be, only that it would be less than this first "start up" amount.

We also feel that if the council were to be asked to contribute financially to the future running costs of the service it is only right that they should be able to assess the early benefits the service is delivering to the town, before making a further commitment.

A Pledge

At this stage the council is being asked for a pledge of funding only.

This pledge will only be called on when and if we are successful in securing the full £250,000 first year funding package.

How Has the £250,000 First Year Budget Been Arrived At?

We've taken estimates from a community transport provider, a local bus operator and a national bus operator to arrive at this figure.

£250,000 is the higher end of estimates taken in May/June. Although some professionals felt this figure was high at the time, given rising costs it seemed wise to err on the side of caution.

It now seems that this caution was well justified. On advice taken this week from Gloucestershire County Council Transport Unit we are still confident that even given the current rate of inflation we will secure bids within our £250k budget, we are not likely to come away with much “change.”

Once a tender has been accepted the price agreed is locked in for 12 months.

Who Will Run the Service?

Gloucestershire County Council have agreed to run the tender process.

This means that details of the service we are planning to run will be published, giving interested bus operators the opportunity to bid to run the route.

This will be a fully funded service. So we pay the operator a monthly amount that covers all the running costs of the service:

- Driver salaries
- Employment costs
- Fuel
- Vehicle Maintenance
- Depreciation
- Licencing
- Insurance

Once bids are in, GCC will conduct due diligence on operators who have placed a bid (financial standing, current service performance, insurances and licences) and an operator is chosen.

We expect bids from local and national bus operators. The service is probably beyond the scope of local community transport providers due to the 7 days per week running and the size of vehicle required.

Gloucestershire County Council will then hold the contract for services with the bus operator. This means that GCC will be legally liable for payments to the bus operator. Hence no tender process will be entered into or contract signed, or pledges called upon, until GCC are fully satisfied that we have secured funding to cover the full amount.

What About Ticket Sales?

Ticket sales and bus pass credits are refunded to us monthly by the bus operator in the form of a discount from the following month's bill.

How Much Will Tickets Cost?

Our survey indicated that a £3 adult return for a trip between two neighbouring towns would be considered affordable for almost everyone who doesn't qualify for a concessionary bus pass.

As this is a fully funded service we have the ability to set fare levels, offer different ticket types (maybe family tickets, hop-on, hop-off visitor tickets?), or even offer free travel for special events, the Ross-on-Wye Walking Festival for example.

These are just ideas, and the final decision would be for the steering group. Ross, along with other town councils, are invited to be represented on that group.

Where is the Rest of the Money Coming From?

We are looking to raise £250,000 to cover first year costs completely. It is impossible to predict at this stage how much income we will have from ticket sales in year one. So we would rather aim to cover the full running cost of the service for the first year, allowing any ticket revenue to be paid forward into year two.

We are working on 4 main funding streams to raise the money.

Councils

We are asking for contributions from councils at all levels along the length of the route. County Councils, District, Towns and parishes. We have so far approached the two county councils and the three main town councils and what responses we have so far received have been positive.

If all councils contribute at the suggested level this stream should account for over half of the funding.

Grant Funding

So far we have 13 grant applications in progress. If they all came through they would deliver around £130,000 in funding. Most application processes take 12 weeks plus.

We so far have 2 applications at second stage, one approved and one rejected the rest remain "pending".

Business Donations/Sponsorship

We will be seeking donations and sponsorship from local businesses. Some local businesses and groups have already come forward with unsolicited donations.

However, our sponsorship drive will start in earnest in September.

Fundraisers

Although we don't expect to raise vast amounts through fundraisers (raffles, events, sponsored walks, bake sales etc) we think this is an important funding stream since as well as raising money it raises community awareness.

Again, we will be starting in earnest with this in September.

Financial Forecasts/Business Plan

We are in something of a chicken and egg situation with regards to a business plan. We can only really develop meaningful financial plans once we have finalised the cost of the service through tender. And we can't go out to tender until we know that we have our financial package in place.

Any financial projections we produced now would be "guesstimates" at best. However, with that note of caution, here are some thoughts and observations.

Passenger Demand Forecast

Preliminaries

The figures provided by Stagecoach relating to 2019 and 2021 would in normal circumstances provide a useful base on which to predict future demand.

Unfortunately, the data refer to ticket issues and this underestimates passenger journeys and revenue (often excluding day rider tickets, weekly bus passes, return journeys, for example)

The pandemic had a disastrous effect on all public transport and the reduction in demand for the 132/32 was no exception. It is not judicious to predict demand on the basis of the reduced patronage recorded during the period 2020-2021. The Department for Transport and trade bodies have recorded that bus services across the country have recovered 80% of the passenger market. There is a resistance by the senior market to travel since Covid and market research has indicated that the shortfall of return patronage relates mainly to older people going out less now than before the pandemic as well as concerns over safety.

The 32/132 was an unsung service which was poorly marketed. The company was also engaged in a downsizing exercise which led to the reduction of the number of buses and drivers required and the closure of Ross-On-Wye depot.

It is therefore not possible to forecast accurately on the scant availability of past data

Future Demand

We have observed demand on inter-urban trips between market town services (Ludlow to Knighton, Oswestry to Ellesmere, Ross-Monmouth). This comparative approach suggests a level of demand at 15-20 trips made per hour journey. Our estimate is that the service would carry 180 passenger journeys per day. It is difficult to assess the number of passengers which would be carried on Sundays.

Passenger journey distances tend to be longer on rural services so this affects fare revenue positively.

Other factors which we consider will enhance the service and increase demand more than 180 trips per day would be by targeting market segments likely to use buses:

There will be a focused marketing campaign to encourage use by all villages and towns on the route; this will be digital and in paper format to meet the needs of those who cannot access the internet.

A similar visitor destination marketing campaign will target public transport users within a one hour journey of the route.

Community involvement and engagement of groups and societies to use the service such as ramblers, disabled clubs and social groupings, Guides and Scouts, etcetera. This worked well for the Hay Ho! community-led Sunday bus between Hereford and Hay-on-Wye which has operated for the past 6 years. It covered 80% of its costs in the first year of operation.

Strong branding and visitor attraction signposting is vital. In particular, camping/caravan sites welcome visitors who use buses in the summer season. For example, the 490 bus between Leominster and Ludlow now diverts to serve the Ludlow Caravan Park south of the town. There are often 10-12 passengers boarding each journey for Ludlow during the season.

Promotions for young people to increase demand through fare reductions

Design of a timetable which encourages interchange at Ross and Newent that will attract additional patronage for the 32 and 33 services.

By using a smaller 32 seat vehicle we also hope to offer genuine connectivity with rail at Ledbury station.

If the new service picks up the reported passenger numbers using the old Stagecoach services during the pandemic we should generate around £60k per year in ticket revenue. If the service regains pre-pandemic passenger numbers that figure rises to around £90k per year, and to c£100k on the predicted 180 journeys per day.

Achieving 180 passenger journeys per day would put the per journey subsidy cost at £2,31. This is less than half of the “value for money” subsidy threshold in both Herefordshire and Gloucestershire and, if achieved, gives us a strong case for seeking the full amount of any futures subsidy required from the county councils, with no requirement for further support from other sources.

Once the tender is awarded it will be possible to generate more meaningful forecasts and as passenger figures grow these should become increasingly accurate.

What Does Success Look Like?

It is very unusual for rural bus services to cover their full running costs from ticket sales and it is not our aspiration for the Daffodil Line to try to achieve this. We expect that there will always be a need for at least some subsidy.

An average rural bus service will cover 30% of its costs in ticket sales. A well promoted and supported community bus often does much better.

We would like to see the Daffodil Line covering at least 50% of its costs through ticket sales by year 3.

More important, in our view, are the other benefits the service will bring to the area.

- Greater independence and opportunity, and reduced loneliness and isolation for those dependent on public transport.
- Fewer journeys by private car.
- Increased footfall in our High Streets, Guest nights in our accommodation, diners in our cafes, pubs and restaurants and visitors to our attractions.

All of these are measurable outcomes which contribute to the local community, environment and economy and can be used to assess the viability of any ongoing subsidy.

What Sort of Bus?

Many people have commented that it's wasteful to have a double decker bus running country routes "half empty". Others find that community transport minibuses present accessibility challenges for people with limited mobility, or parents with pushchairs.

The size of the bus used makes surprisingly little difference to the cost of the service. But it does make a big difference to the environmental impact.

Changing vehicles part way through the day (a bigger bus for peak times) can cause logistical problems for an operator, and increase the cost of the service.

We feel that a 32 seat service bus will be big enough to accommodate everyone at peak times (at least at first) accessible to all, and small enough to be agile on our country roads.

So this is the vehicle type we would plan to specify in the tender.

The Old Services Weren't Well Used, How Will You Change This?

Few businesses or services can hope to survive without making some effort at promotion: making potential users aware of their benefits and existence.

For whatever reason, the old Stagecoach services had received little or no promotion for decades.

In this respect the Daffodil Line will be very different. We are committed to heavy and sustained promotion of the service both locally and regionally.

Once funding for the running of the service is secured we have identified a grant funding source for local promotion. This will include a printed route map and timetable highlighting local attractions and places of interest, leafleting, outdoor advertising, press campaigns and community engagement events.

The other arm of the promotional push will be a sustainable tourism offering aimed at bringing visitors (initially from the West Midlands) to the area by rail to explore by bus. We have upcoming meetings with Herefordshire BID and Visit Gloucestershire to discuss the development of the visitor offering.

Why is This So Urgent?

Some people have asked why getting this bus service up and running right now should be a priority - why can't we just wait and see whether funding eventually comes from central government to sort out the problem.

We think there are good reasons why this can't wait.

Social Responsibility

More than 5,000 people along the Daffodil Line route live in households with no access to a car.

Hundreds of these people have been put into really difficult situations through the loss of the old Stagecoach bus services. Having to re-assess whether they can continue in their current jobs, at their current schools and colleges, or even whether they need to move house.

It's been some of the more vulnerable people in our communities who have been hit hardest by these cuts. People who can't buy a car or afford taxis.

We feel it's the responsibility of all of us to help make those people's lives a little easier, sooner rather than later.

Climate Change

I'm sure we are all aware now that climate change is a real emergency. Travel in private cars is one of the biggest contributors to emissions in developed countries like the UK.

Choosing to leave the car at home and use public transport instead is one of the biggest things individuals can do to help fight climate change.

Getting this bus service up and running will give people in our area more opportunity to do this.

Cost of Living Crisis

More and more people are being forced to stop running private cars due to the cost of living crisis.

Good, affordable public transport links will make it possible for them to continue with their jobs and education, and lives, without a car.

Local Businesses

In market towns we all value the local businesses on our High Streets.

But our businesses are struggling like never before.

This bus service will deliver customers to all of our High Streets. We can't say how many. But at this point in time, we believe every customer makes a difference.

Why Is This Important For Ross-on-Wye?

Whilst residents in central Ross may not have felt the impact of the loss of the old bus services as much as people in neighbouring towns, we believe that the new service offers major benefits for Ross. Why?

Neighbouring Towns

In losing the Stagecoach 32 service Ross has lost its public transport connection to Newent, its nearest neighbouring town.

A direct public transport connection between Ross and Ledbury, nearest Herefordshire neighbours, has not existed for many years.

The Daffodil Line will provide a regular connection between all three towns. Opening up opportunities for work, leisure, education and of course shopping, for residents of all.

Public transport connectivity between neighbouring market towns of a similar size is documented as enhancing the sustainability and prosperity of all.

Connection to Rail

As Ross does not have a railway station residents rely on connections to Hereford and Gloucester for train travel.

A direct connection to Ledbury offers a somewhat quicker and much cheaper option for Ross residents wishing to travel to the Midlands and the North by train.

Local Destination

Ross is "town" for people from Upton Bishop, Linton, Gorsley and many from Newent. It's a destination for shopping, leisure, employment and education. Public transport users in these destinations are now cut off from "town" and having to spend their time and money elsewhere. The Daffodil Line will enable these people to resume use of facilities in Ross.

Beyond this, surveys and community engagement events have already highlighted an appetite for access to Ross in passengers located to the North of Newent from Dymock and Ledbury. This is a potential new customer and service user group.

Birthplace of Tourism

Ross is recognised as the Birthplace of British tourism and of the three towns along the route it is certainly the most established as an existing visitor destination.

With much to offer in the town, on the river and in the surrounding countryside Ross will have a big part to play in our sustainable tourism drive and should see big benefits in terms of more visitors arriving by bus, rather than by car.

Conclusion

We hope these notes answer any outstanding questions and fill in any gaps in the original proposal.

We fully appreciate that as councillors, you need to do the right thing for Ross residents. We hope these notes have further demonstrated why this issue is important and what benefits it can bring to the town.

If you do have further questions please do call on 07766 496210.