

## The Highland Council

Transport , Environmental and Community Services Committee  
7 November 2013

Agenda Item	<b>11</b>
Report No	<b>TEC 83/13</b>

### Transport in Remote Communities – Glenelg Research Project

#### Report by Director of Transport, Environmental and Community Services

#### Summary

This report updates Members on the outcome of the Robert Gordon University study into rural transport options for the Glenelg area, and invites Members to approve that a pilot project is taken forward for the area based on the bottom-up option proposed by Robert Gordon University.

#### 1. Background

- 1.1 Members will recall that they agreed to a research project being carried out by Robert Gordon University to explore possible cost-effective transport options to link the community of Glenelg with Shiel Bridge and provide access to external services, at the TECS Committee on 16 May 2013 (Report Ref TEC-46-13).
- 1.2 Many remote rural communities suffer from a lack of access to services through the absence of public transport and this has a negative effect on the sustainability and economic viability of these communities. The Council is constantly looking for innovative and more cost effective options for delivering services and transport is included in this search for new solutions.
- 1.3 Rural transport is a research area of interest to Robert Gordon University and following the TECS meeting in May 2013 they were engaged by the Council to carry out a project to develop a pilot scheme in the Glenelg area that will fit in with the needs of the catchment in terms of demand and journey purpose.
- 1.4 Over the summer an MBA student from Robert Gordon University engaged with the community, collecting data, and interviewing stakeholders in the catchment to examine options for enhancing transport between Glenelg and Shiel bridge.
- 1.5 This report provides Members with details of the outcome of this study and the way forward to the next stage of the project.

#### 2. Glenelg Research Project

- 2.1 The research project was carried out by an MBA student from Robert Gordon University over the summer months. This involved an intensive period of data collection and interviews.

- 2.2 The project is now complete and the student has submitted his thesis and the final report is now in preparation by Professor David Gray of Robert Gordon University.
- 2.3 The student examined 3 options as part of the research project all of which would fit with the needs of the community
- A taxi ticket scheme
  - A balanced scheme
  - A bottom up scheme
- 2.4 The key to the success of this scheme is to provide an incentive to the community to maximise the use of support monies to ensure its impact provides best value to the community. This is best done by ensuring the voluntary community group are in control of all outgoings and have incentive to fill cars and/or taxis to deliver high load factors. This will deliver the maximum benefit for the community of Glenelg and Arnisdale for the available monies and optimises all outcomes for the project.
- 2.5 A copy of the Executive Summary covering the report is included in **Appendix A**.

### **3. Pilot Scheme Operation**

- 3.1 It is proposed that a pilot scheme be taken forward for Glenelg based on the bottom-up scheme. This scheme will involve providing a capped sum of £3,000 to the Glenelg community group who will run their own scheme for 12 months. They will procure a local taxi service for a fixed fee and sell tickets to travellers for £3.00 with the balance being provided to the taxi through the community group. It will be in the community's interest to fill taxis/cars so far as possible and ensure their funding goes as far as possible throughout the 12 month period.
- 3.2 The community group themselves are voluntary and receive no payment for their own activities in managing the transport system. All funding will be directed to benefit the transport operation itself and will be the subject of formal governance and be fully accountable.
- 3.3 At the end of the 12 month period the pilot project will be reviewed and a report prepared with any recommendations for refining the project. This report when complete will be reported to committee and its results shared with other rural local authorities through HITRANS.

### **4. Implications**

- 4.1 The overall research project including all reports and fees is estimated to cost £8,000 and this was approved at the TECS Committee in May 2013. HITRANS have also agreed to make a contribution towards the project, as the outcome will be transferrable to other rural areas.

- 4.2 There are no legal implications arising from this report.
- 4.3 There are no equality implications arising from this report.
- 4.4 There are no climate change implications arising from this report although encouraging the use of shared transport through this innovative transport project will reduce the carbon footprint.
- 4.5 There are no risk implications arising from this report.

**5. Recommendations**

- 5.1 Members are invited to note the contents of the Robert Gordon's study into rural transport options for the Glenelg area.
- 5.2 Members are invited to approve that a pilot project is taken forward for the area based on the bottom-up option proposed by Robert Gordon University. This project to run for a period of 12 months, after which time it will be assessed and reviewed.

Designation: Director of Transport, Environmental and Community Services

Date: 25 October 2013

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# APPENDIX A

## EXECUTIVE SUMMARY

- The project has identified three possible models for establishing community operated 'call off' taxi schemes to replace evening bus service to Glenelg and Arnisdale, which previously collected passengers from CityLink services at Glenshiel.
- It is recommended that one of these mechanisms (the 'bottom up approach') is adopted by the community on a one year trial with support of up to £3,000 from Highland Council.
- Background: the project was commissioned by the Highland Council in response to budgetary pressures and unsustainably high per-passenger-subsidies for bus and taxi services serving remote communities.
- Aim: The aims of project were twofold:
  - To develop a more cost effective 'call off taxi' type scheme that could be managed by the community, and which would be able to meet existing demand at limited cost to the Council. The work would be carried out in Glenelg and Arnisdale.
  - To develop a checklist template which could be used to develop similar schemes for other remote and rural communities
- The work was carried out between June and September 2013 by an MBA student, Robert Heintjes. Robert was charged with consulting with local stakeholders, collect any available data, and developing and consulting on possible models for developing a call off taxi scheme.
- The administration of any community managed scheme is dependent on the creation of a constituted body such as a community trust to act on behalf of 'the community'.
- Three models for establishing community operated 'call off' taxi schemes were identified. The call off taxi scheme delivers best value for money with fully laden taxis, and each of the three schemes incentivises a different stakeholder to fill maximise passenger numbers on each trip.
  - *£5 becomes £10* - The passenger pays a fixed fare (£5) for a taxi ticket to the community trust. On redeeming the ticket, the taxi driver receives 'double the money' back (i.e. £10 rather than £5). The community is thus subsidising 50% of the cost of the journey. Incentive for maximising passengers-per trip lies with the taxi company, who is required to fill the

car with two or more passengers on each trip to generate a profit over the commercial fare of £15.

- The *Balanced* scheme: Tickets are sold at the shop for an initial £3, of which the shop takes 50p commission for a single passenger journey. The commission increases to £1.50 per passenger if two or more passengers make a trip. Under this scheme, ‘rising commission’ encourages the shop owner to fill all the seats in the taxi. The constituted community group would be able to vary the price of the tickets according to demand and remaining subsidy.
  - *Bottom up model*: Under the bottom up approach, control of pricing, regulation of sales are in the hands of the community, Passengers will buy a subsidised single journey ticket for an initial flat rate of – for example - £3.00 from the Glenelg shop. The shop keeper will record the transaction and collect data on the purchases and their destination. The community are therefore incentivised to fill taxis in order to make their subsidy last as long as possible. The taxi company will collect the tickets from the passengers. The taxi company will invoice the community on a monthly basis along with submitting the used tickets and the passenger list of realised taxi rides
- Economic and cost analysis was carried out on the three models, and on other taxi based schemes operating in Sleat and South West Ross based on expected annual patronage and the subsidies required for different occupancy levels. Average cost per passenger per ride figures were calculated (below):

	SW Ross	Sleat	£5->£10	balanced	Bottom up
Cost per passenger/ride	£39.29	£22.73	Variable minimal £5	£7.25-£13.50	£2-£13.70

- Based on the cost analysis, and on the conclusion that the risk and incentivisation for a community managed scheme should best sit with the community, it is recommended that the bottom up approach is trialled in Glenelg and Arnisdale with a subsidy for one year of up to £3,000.