



# Devon Fare Cars Year 3 Report April 2004 to March 2005

## 1. Introduction

This report outlines the progress made on the Devon Fare Cars project in its third year, April 2004 to March 2005.

The project involves setting up eight experimental Fare Car schemes in selected areas of Devon. The bid was for a total of £471,000 over four years (£75,000 Capital and £396,000 Revenue Expenditure).

**New Service**  
Beaworthy, Black Torrington, Chilla, Exbourne, Highampton, Inwardleigh, Jacobstowe, Northlew and Sheepwash to and from designated points in Okehampton  
**from 11th July 2005**

**fare F12 car**

- operates six days a week
- for passengers of all ages
- only £2.50 for any single journey

Confirm your place by calling 01837 840860 between: 08.00 and 18.00 Monday-Saturday

A large print version of this leaflet is available, ring 01392 382800

The Car that gives you **flexible solutions**

Fare Car is a shared private hire car service operating under Section 11 of the Transport Act 1985 enabling passengers to book seats on advertised timetabled journeys within a defined area. The fare charged is approximately equal to or slightly above the normal bus fare for the distance travelled.

The car operator is refunded the full normal charge for the private hire journey, thereby providing the passenger with a subsidized service which, for the transport authority, may be more cost-effective in some circumstances than subsidizing a bus service.

The Devon Fare Cars project aims to find out in which circumstances, if any, Fare Car as a drt service is more indeed more cost-effective and sustainable than a subsidized bus.

*Photo – The Beaworthy and Okehampton Fare Car leaflet (F12)*

## 2. Work during Year Three

Further to the Year Two report, the project has continued to progress in the following key areas:

- Investigation of additional services.
- Careful monitoring of existing services and revision in line with the project aims and possible long-term sustainability.
- Improved publicity to ensure maximum take-up of the available services.

### 3. Implementation and Review of Services

In summary, work has proceeded as follows:

- I. **May 2004:**  
Re-launch of Fare Car F8 with revised timetable and slightly enlarged area.
- II. **July 2004:**  
Re-launch of Fare Car F14 with a change of operator due to previous operator's withdrawal.
- III. **August 2004:**  
Re-launch of Fare Car F6 with revised timetable.
- IV. **August 2004:**  
Re-launch of Fare Car F9 with revised timetable and slightly enlarged area.
- V. **August 2004:**  
Re-launch of Fare Car F10 with revised timetable and enlarged area.
- VI. **October 2004:**  
Second change of operator for Fare Car F14 due to withdrawal of operator who started in July. Revision to timetable.

The eighth Fare Car has not been implemented so far due to not finding a suitable operator in the local area.

### 4. Results so far

Results from Year Three (patronage and costs) along with a summary of the previous two years to show passenger trends are shown in the following tables.

#### SERVICE F6 Bradworthy / Holsworthy

2002/2003	Subsidy paid to operator	Number of passengers	Fares collected	Subsidy per passenger
Average per month from September 2002	£364.50	70	£97.50	£4.18

2003/2004	Subsidy paid to operator	Number of passengers	Fares collected	Subsidy per passenger
Average per month first six months	£537.33	139	£155.25	£3.81
Average per month second six months	£650.35	141	£158.75	£4.60

**SERVICE F6 Bradworthy / Holsworthy (cont).**

<b>2004/2005</b>	<b>Subsidy paid to operator</b>	<b>Number of passengers</b>	<b>Fares collected</b>	<b>Subsidy per passenger</b>
<b>April</b>	£1,023.75	190	£224.50	£5.39
<b>May</b>	£879.80	183	£229.00	£4.81
<b>June</b>	£854.00	161*	£201.50	£5.30*
<b>July</b>	£755.05	160	£196.50	£4.72
<b>August</b>	£646.65	108	£240.50	£5.99
<b>September</b>	£744.60	167	£304.00	£4.46
<b>October</b>	£807.75	179	£300.00	£4.51
<b>November</b>	£711.11	147	£248.00	£4.84
<b>December</b>	£520.75	126	£243.00	£4.13
<b>January</b>	£664.40	134	£242.00	£4.96
<b>February</b>	£459.15	80	£142.00	£5.74
<b>March</b>	£570.80	95	£170.80	£6.01

\* No passenger data available – figure is estimate based on fares collected.

**SERVICE F7 Bigbury-on-Sea**

<b>2002/2003</b>	<b>Subsidy paid to operator</b>	<b>Number of passengers</b>	<b>Fares collected</b>	<b>Subsidy per passenger</b>
<b>Average per month from January 2003</b>	£416.77	45	£54.40	£9.29

<b>2003/2004</b>	<b>Subsidy paid to operator</b>	<b>Number of passengers</b>	<b>Fares collected</b>	<b>Subsidy per passenger</b>
<b>Average per month first six months</b>	£500.31	51	£61.40	£9.86
<b>Average per month second six months</b>	£449.80	44	£53.00	£10.08

<b>2004/2005</b>	<b>Subsidy paid to operator</b>	<b>Number of passengers</b>	<b>Fares collected</b>	<b>Subsidy per passenger</b>
<b>April</b>	£1,342.74	96	£192.00	£13.99
<b>May</b>	£1,321.98	124	£248.00	£10.66
<b>June</b>	£1,474.92	139	£278.00	£10.61
<b>July</b>	£1,967.84	165	£330.00	£11.93
<b>August</b>	£1,610.00	137	£274.00	£11.75
<b>September</b>	£1,349.04	103	£206.00	£13.10
<b>October</b>	£1,222.18	109	£218.00	£11.21
<b>November</b>	£889.32	90	£180.00	£9.88
<b>December</b>	£1,028.84	97	£194.00	£10.61
<b>January</b>	£1,047.26	83	£166.00	£12.62
<b>February</b>	£1,297.76	121	£242.00	£10.73
<b>March</b>	£1,233.56	123	£246.00	£10.03

### SERVICE F8 Ashwater

2003/2004	Subsidy paid to operator	Number of passengers	Fares collected	Subsidy per passenger
Average per month first six months	£1,072.67	115	£231.00	£9.32
Average per month second six months	£1,463.42	162	£324.67	£8.89

2004/2005	Subsidy paid to operator	Number of passengers	Fares collected	Subsidy per passenger
April	£2,042.00	199	£398.00	£10.26
May	£1,743.20	204	£412.00	£8.55
June	£2,135.70	242	£556.00	£8.83
July	£2,908.80	322	£620.00	£9.03
August	£2,998.75	320	£680.00	£9.37
September	£2,343.20	284	£588.00	£8.25
October	£2,853.50	352	£704.00	£8.11
November	£2,494.40	324	£654.00	£7.70
December	£2,361.62	266	£564.00	£8.88
January	£2,443.00	254	£526.00	£9.62
February	£2,164.70	268	£542.00	£8.08
March	£2,324.10	253	£526.00	£9.19

### SERVICE F9 Mid Devon

2003/2004	Subsidy paid to operator	Number of passengers	Fares collected	Subsidy per passenger
Average per month from September 2003	£904.51	43	£84.71	£18.23

2004/2005	Subsidy paid to operator	Number of passengers	Fares collected	Subsidy per passenger
April	£840.71	33	£65.00	£25.48
May	£979.85	41	£77.00	£17.50
June	£1,097.93	51	£92.00	£19.61
July	£787.64	34	£66.00	£14.07
August	£1,168.46	50	£100.00	£23.37
September	£1,287.14	60	£118.00	£21.45
October	£1,027.06	46	£88.00	£22.33
November	£1,414.71	72	£146.00	£19.65
December	£1,047.20	55	£110.00	£19.04
January	£1,278.25	63	£126.00	£20.29
February	£939.38	50	£114.00	£18.79
March	£1,329.56	61	£122.00	£21.80

### SERVICE F10 North Devon

2003/2004	Subsidy paid to operator	Number of passengers	Fares collected	Subsidy per passenger
Average per month since August 2003	£355.11	30	£51.63	£14.10

2004/2005	Subsidy paid to operator	Number of passengers	Fares collected	Subsidy per passenger
April	£315.90	32	£50.50	£9.87
May	£526.90	50	£82.00	£10.54
June	£889.10	92	£154.50	£9.66
July	£1,379.70	132	£230.00	£10.45
August	£2,306.20	191	£329.00	£12.07
September	£1,579.50	185	£344.00	£8.54
October	£2,034.41	243	£510.00	£8.37
November	£2,040.00	235	£480.00	£8.68
December	£1,871.90	191	£382.00	£9.80
January	£1,945.60	234	£476.00	£8.31
February	£1,532.20	185	£384.00	£8.28
March	£1,643.30	182	£364.00	£9.03

### SERVICE F11 East Devon

2003/2004	Subsidy paid to operator	Number of passengers	Fares collected	Subsidy per passenger
Average per month since September 2003	£1,196.07	165	£172.03	£7.34

2004/2005	Subsidy paid to operator	Number of passengers	Fares collected	Subsidy per passenger
April	£1,534.60	268	£275.00	£5.73
May	£1,594.80	290	£291.00	£5.50
June	£1,894.80	312	£312.00	£6.07
July	£1,838.80	263	£286.00	£6.99
August	£1,814.60	267	£270.00	£6.80
September	£1,627.60	246	£242.00	£6.62
October	£1,947.40	297	£310.00	£6.56
November	£2,049.00	374	£393.00	£5.48
December	£1,715.50	207	£324.20	£8.29
January	£1,460.60	243	£249.00	£6.01
February	£1,279.80	170	£177.00	£7.53
March	£1,675.32	189	£189.00	£8.86

## SERVICE F14 Teign Valley

2004/2005	Subsidy paid to operator	Number of passengers	Fares collected	Subsidy per passenger
<b>April</b>	£410.55	34	£49.36	£12.08
<b>May</b>	£469.32	31	£45.96	£15.14
<b>June</b>	£334.21	24	£32.34	£13.93
<b>July</b>	£237.79	15	£25.53	£15.85
<b>August</b>	£96.80	11	£22.00	£8.80
<b>September</b>	£313.30	37	£64.00	£8.47
<b>October</b>	£339.80	28	£51.00	£12.14
<b>November</b>	£343.64	26	£49.00	£13.22
<b>December</b>	£316.00	24	£44.00	£13.17
<b>January</b>	£202.24	15	£26.00	£13.48
<b>February</b>	£224.56	16	£26.00	£14.04
<b>March</b>	£198.24	15	£30.00	£13.22

### 5. Revenue Expenditure in 2004/2005

The expenditure in 2004/2005 was as follows:

Payments to operators	£107,822.37
Payments to Community Transport Associations for Bookings	£43,883.52
Publicity and Promotion	£4,338.86
Staffing costs	£7,735.00
<b>Total</b>	<b>£163,779.75</b>

### 6. Capital Expenditure in 2004/2005

The purchase and allocation of accessible vehicles has not proceeded. Each District Licensing Authority lays down individual and idiosyncratic requirements regarding which vehicle specification may be plated. Furthermore, strong and conflicting views from the operators themselves have required a thorough survey of all available options. Further, the operator eventually selected to receive the first vehicle, having taken into account his overall costs, was unwilling to pass any saving to the County Council in return for receiving the vehicle. In conclusion, therefore, we feel that the vehicle allocation should not go ahead and that the funds would be better used as revenue support for services, which are otherwise proceeding well. Some operators use accessible vehicles of their own.

## 7. General Observations And Conclusions So Far



The longer-standing Fare Car services have reached a form of stability and have become a valued feature of the community.

There is a discernible pattern of regular usage which is largely attributable to a small number of regular passengers - such that, if the circumstances of one individual or household change, it has a significant effect on total Fare Car patronage.

Two changes of operator on Fare Car F14 illustrated the importance of continuity. The second change necessitated a reduction in the timetable because of the new operator's limited availability. Usage of F14 has been disappointing.

The cost of Fare Cars continues to be high in terms of subsidy per passenger trip and the average is currently running at over five times Devon County Council's standard limit for daily bus services and two and a half times its limit for weekly services. This is further increased by the fees paid to the third-party booking offices. The low level of business highlights this. Fare Car F7 operates with bookings going direct to the operator, but this has necessitated additional checking of invoices and returns which has identified some deficiencies in service - specifically instances of failure to combine passenger bookings into one car journey. This shows how important the audit process is.

The more detailed study of passenger usage made possible by the additional monitoring and promotion resource has identified further useful and illuminating features to those discovered previously.

There remains great variations between and within services. We have continued to measure service performance by cost per passenger journey to ascertain the volume and distribution of demand in relation to the resources provided. Looking as last year at the average cost per passenger per service (see above tables) is £5.05, £11.43, £8.82, £20.12, £9.47, £6.70 and £12.79 making an average of £10.63. Month-by-month figures have ranged from £4.13 (F6 in December 2004) to £25.48 (F9 in April 2004). Individual bookings show an even wider variation, ranging from an almost commercially viable journey to a passenger subsidy of nearly £35.

The cost per passenger per service has been influenced more by the length of journey than the number of passengers travelling. The figure for the F6 is low due to the small geographical area covered. The longest journeys are on services F9 and F10, which have a gross cost of up to £40, so the fares charged do not contribute massively to the price of the journey on these services. The cost savings made when more than one passenger uses a journey are therefore more noticeable on the shorter journeys. If some services have to be cut in future, those that survive will largely be those with the lowest cost per passenger journey. It is, however, worth remembering that service F6 with the lowest figure has an average of less than 150 passenger journeys per month whereas the most used service, F8 with an average of 100 more journeys per month than the F6 has an average cost per passenger journey figure of £8.82. If F8 is withdrawn in lieu of F6, it could potentially isolate a greater number of people than if F6 was axed.

The stability on the Fare Car services after further promotion has further illustrated the very low level of demand for public transport in deep rural areas. As shown in the table overleaf, the

customer base consists of a small proportion of the eligible population, ranging from 1.7% to 12%. At most 1.9% of the eligible population are making regular journeys, with some travelling more than once a week, and a few on a daily basis. The most recent scheme, Fare Car F14, has only seven people making trips and unlike some services such as F7, F8 and F10 where some passengers travel on an almost daily basis, no passengers are generally travelling more than once a week. We are about to embark on a publicity campaign to ascertain whether there is unmet demand for this service. In contrast, the busiest service generates between 250 and 350 passenger trips a month. To give some indication of how a service can be influenced by a small number of individuals, the use of one service has recently dropped from about 350 to less than 200 passenger trips a month because a family of four have stopped using the service. About 270 individuals are using the Fare Car services.

### Fare Car Membership and Regular Travel

<b>Service</b>	<b>Eligible population (approx.)</b>	<b>Number of Members (= % of eligible population)</b>	<b>Number regularly or periodically travelling (= % of eligible population)</b>
F6	2,350	283 (12%)	41 (1.7%)
F7	5,390	242 (4.5%)	41 (0.8%)
F8	5,910	319 (5.4%)	70 (1.2%)
F9	6,230	122 (1.9%)	23 (0.4%)
F10	3,230	162 (5%)	44 (1.4%)
F11	2,320	150 (6.5%)	45 (1.9%)
F14	3,780	66 (1.7%)	7 (0.2%)

The level of use on Sundays remains almost non-existent to the extent that the number of services running on this day of the week has been reduced to two, and will be reduced to one in Year Four. The level of evening service has also reduced due to the lack of evening facilities in many of the destinations and the unwillingness of young people to book in advance. A careful analysis of travel patterns has revealed that the most popular time of travel is between 0930 and 1100 into towns, returning lunchtime or early afternoon. Some journeys are regularly used during peak hours, but others are rarely used. This indicates that more people use the services for shopping or medical reasons rather than for employment or leisure. From this, not surprisingly the age of many of the users is quite high, as many of those who do not access to a car in deep rural areas fall into this age group.

Many fares have been put up over the past year. This has not been met with resistance from passengers as these are still much cheaper than equivalent taxi fares and are still not generally more expensive than bus fares in the areas.

All passengers continue to pay the same fare regardless of age (except of course those under five) due to the high level of subsidy the services receive. Most fares remain the same regardless of distance to avoid complications of adding zones, this having more potential to cause complications than standard bus services which run to fixed routes.

Below are the figures for F8 for the past year, which give an indication of the variation of use between the various journeys:

<b>Arrivals</b>	<b>08:45 H</b>	<b>11:00 H</b>	<b>14:25 H</b>	<b>17:15 H</b>	<b>18:45 H</b>	<b>09:45 L</b>	<b>13:05 L</b>	<b>15:45 L</b>	<b>19:10 L</b>	<b>Total</b>
<b>June</b>	32	20	8	1	0	28	13	2	18	122
<b>July</b>	44	31	8	0	7	43	17	1	17	168
<b>August</b>	42	37	10	3	4	53	11	2	10	172
<b>September</b>	32	35	11	0	4	42	17	3	1	145
<b>October</b>	33	42	12	6	0	67	17	0	0	177
<b>November</b>	40	24	12	1	0	67	18	4	1	167
<b>December</b>	33	22	15	0	0	50	21	0	2	143
<b>January</b>	47	21	11	0	0	41	18	0	0	138
<b>February</b>	44	31	10	0	0	39	16	5	3	148
<b>March</b>	30	32	19	0	0	41	21	2	2	147

(Showing H = Holsworthy arrival, L = Launceston arrival)

<b>Departures</b>	<b>08:50 H</b>	<b>11:05 H</b>	<b>14:30 H</b>	<b>17:30 H</b>	<b>22:00 H</b>	<b>09:50 L</b>	<b>13:10 L</b>	<b>15:50 L</b>	<b>19:15 L</b>	<b>Total</b>
<b>June</b>	2	17	24	18	0	4	27	23	5	120
<b>July</b>	0	22	32	25	0	5	40	21	9	168
<b>August</b>	4	20	38	31	0	0	32	31	4	160
<b>September</b>	4	15	36	14	0	1	34	34	4	142
<b>October</b>	4	17	45	20	0	1	44	41	3	177
<b>November</b>	6	12	25	19	0	1	45	44	5	167
<b>December</b>	3	15	26	21	0	1	31	19	7	143
<b>January</b>	3	7	41	12	0	1	21	13	18	138
<b>February</b>	5	16	34	15	0	0	23	23	4	148
<b>March</b>	6	12	27	12	0	0	22	15	12	147

(Showing H = Holsworthy departure, L = Launceston departure)

Please note that no data is shown for April and May, as the timetable changed from 24 May 2004.

As well as the per-passenger cost continuing at a high level, the absolute cost of services is also increasing as shown in the summary in Section 9. Increasing usage of Fare Cars does not make the service more economical if the increased usage comes in the form of single passengers per booked journey. Only increased load factors can improve viability. The number of passengers per booked journey remains at about 1.25. A reduction in the number of timetabled journeys might be expected to concentrate demand and thereby increase load factors, but this does not appear to happen so far. It is possible that, whatever the frequency of service, the load factor may stubbornly remain at 1.25. It is hoped that the planned reduction in journeys will increase the load factor – the fact that few people use the services for employment reasons shows that many passengers are not rigid over the timing of the journeys. If, however, the load factor remains the same, then this figure reflects a level of demand in those rural areas which we either cater for or abandon. This may be the most significant outcome of the Fare Car experiment. We do not believe there is any other option for rural services apart from the voluntary community-based sector - which itself is not cost-free, but cheaper than the current situation.

If present costs are indeed a true reflection of the Fare Car model, then Fare Cars are not sustainable in the long-term - assuming no dramatic increase in revenue funding levels. Therefore, Year Four of this project needs to set in train revisions which give services some prospect of being sustainable beyond March 2006.

There are four cost elements, the continuing level of which will determine the sustainability of Fare Cars:

- **Passenger loadings**  
As discussed above, in spite of publicity and promotion, the level of demand so far expressed may represent that which exists and there may be no scope for increasing it.
- **Operator costs**  
Basically, we are paying Private Hire rates. There are variations between and within Districts. However, we are not in a position to force rates down and in any case, there is no reason to suppose that charges are unreasonable.
- **Booking fees**  
These are justifiable in terms of the resources required to maintain the service but are poor value in relation to the volume of passenger business. In a context of high per-passenger costs it is almost inevitable that third-party booking arrangements will not be sustainable - unless the costs can be shared with other transport services. However, using Operators to do bookings does require more audit.
- **Fares**  
On a service with low numbers of passengers and high per-passenger subsidies, the level of the fare is critical. We need to test higher fares in practice. If pressed, feedback suggests that passengers are willing to pay higher fares if convinced that this helps sustain the service. Increased Fare Car fares remain very favourable in comparison with taxi fares.

We will also carry out extensive surveys of passengers to examine the reasons for the use of Fare Car. Through this, we will evaluate its contribution to reducing social exclusion and meeting Devon County Council's Access Strategy as part of our work on the continuation strategy.

## 8. Next Steps for Services

- We shall seek to implement the eighth Fare Car service. Changes in the market indicate that a suitable operator may now be found. We will try to avoid using a third party for booking purposes to save costs.
- We shall now not aim to set up two further services. This is due to the increased cost of the original services, which will use the entire Rural Bus Challenge award including that allocated for capital (vehicle purchase).
- We shall continue to employ additional resources for planning, monitoring and promotion as agreed by DfT, in order to ensure maximum passenger take-up.
- We shall implement service changes, i.e. revised timetables and fares with a view to improving the chances of sustainability beyond the end of the project period. The former will consist of withdrawing a number of journeys that are rarely used, whilst fares will generally increase by 50p per journey.

- We will seek permission to transfer £75,000 from capital to revenue, as we were unable to spend this amount on capital and require it to maintain the services to March 2006.
- We will continue to monitor use of journeys closely to help determine the future of the services, which are almost certain to be in reduced form if they survive, according to where demand is greatest. In particular, we will look at whether well used services in the long-term such as the F8 can be reduced without losing passengers to decrease cost per passenger journey.
- We will survey passengers on all of the services during the autumn to ascertain what they are using Fare Car for, and the difference it has made to their lives. This will help determine the future of the services. This work will inform the consideration of continuation funding by Devon County Council.

## 9. Financial Summary So Far

Total actual expenditure 2002/2003:	£5,000
Total actual expenditure 2003/2004:	£93,000
Total actual expenditure 2004/2005:	£164,000
Planned expenditure 2005/2006:	£209,000
Total planned project expenditure as at 31st March 2006:	£471,000
Grant received in 2002/2003:	£80,000
Grant received in 2003/2004:	£80,000
Grant received in 2004/2005:	£120,000
Additional grant requested for 2005/2006:	£191,000

## 10. Conclusion

The Devon Fare Cars project has entered its fourth and final year. It is still providing much insight into rural public transport. Devon County Council will continue to undertake measures to raise awareness of the services over the coming months in addition to planning a continuation strategy through research, with the aspiration that there will still be some level of service after March 2006.