

OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting: 14th March 2016

Present: Councillor A Robertson (Chair)
Councillors Eaton, Haworth, Hughes (for part of the meeting)
Kenyon, Lythgoe, McMahon, Oakes (substituting for Bleakley),
Sandiford and Steen

In Attendance: Phil Smith, Managing Director, ROSSO
Brendan O'Reilly, Commercial Director, ROSSO
Councillor Ashworth, Portfolio Holder for Customers and Health
Councillor Lamb, Portfolio Holder for Operational Services and
Development Control
Pat Couch, Scrutiny Support Officer

2 members of the public

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Bleakley and Councillor Barnes, Leader of the Council.

2. MINUTES OF THE LAST MEETING

Resolved:

That the minutes of the meetings held on 29th February 2016 be agreed as a correct record signed by the Chair.

3. DECLARATIONS OF INTEREST

Councillor Oakes declared an interest as the Council representative on the Rossendale Transport Board.

4. URGENT ITEMS OF BUSINESS

There were no urgent items of business.

5. PUBLIC QUESTION TIME

The Chair agreed to deviate from the Procedure for Public Speaking and allow the members of the public to ask questions as the reports were discussed.

6. CHAIR'S UPDATE

The Chair informed the Committee that the Scrutiny Support Officer had circulated the following items requested at the last meeting:

- Copy of the crime figures that were presented to the Committee on 29th February 2016
- Police contact details for each ward

7. REPORT OF THE DOG FOULING TASK AND FINISH GROUP

Councillor Lythgoe, as Chair of the Dog Fouling Task and Finish Group, presented the report which would be forwarded to Cabinet for their comments on the recommendations contained within the report.

He thanked the Scrutiny Support Officer and Committee and Member Services Officer for their support with the task and finish group.

Councillor Lythgoe indicated that this was an interim report which would be re-visited once the new Head of Operations had been in post for a couple of months.

Looking into this issue highlighted the fact that there was a definite lack of funding due to challenging times within local Councils.

The task group were surprised that dog fouling in Rossendale was not as severe as other local authorities. It appeared that education was required, although staffing capacity and funding for this was an issue.

Procedures appeared to be a problem and these would be taken up with the new Head of Operations for confirmation. The task and finish group would also look at the structure of the Operations Team and how/who will take on different responsibilities.

Councillor Oakes indicated that Stacksteads Countryside Park Group had received funding to create a video aimed at Primary Schools and this would be available shortly.

The Portfolio Holder for Operations and Development Control indicated that dog fouling leaflets had been sent out with the refuse calendars.

It was suggested that when the group re-visit this piece of work that they invite a Professional Dog Walker to come along to a meeting.

A question was asked about who was responsible for checking that all dogs are chipped as this becomes law on 1st April 2016. The Scrutiny Support Officer agreed to make enquiries and email a response to Members.

RESOLVED:

That the report be agreed and sent to the Cabinet for a response to the recommendations.

8. CABINET RESPONSE TO THE RECOMMENDATIONS OF THE COUNTER FRAUD TASK AND FINISH GROUP REPORT

The Chair, as a member on the Counter Fraud Task and Finish Group presented the report which highlighted the Cabinet's response to the recommendations of the Counter Fraud Task and Finish Group.

The Committee welcomed the fact that Cabinet supported all the recommendations of the Task and Finish Group.

The Portfolio Holder for Customers and Health had circulated up to date information on the work that had been carried out by the Fraud & Compliance Officer since the end of the work of the task and finish group. She indicated that some of the higher rateable values highlighted in the information related to business premises/large properties. These could be cases where people were pretending that premises were empty when in fact people were living in the property.

In relation to up to date information on council tax billing amendments from 29th June 2015 to date, of £31,973.82p of debt created, £19,586.48 had been paid back (62.5%).

With regard to rateable value increases from 29th June 2015 to date for non-domestic (business) rates, £4000 had been confirmed by the Valuation Office as rateable value increases, with a further £85,425 projected, which were cases that had been referred to the Valuation Office but had not yet come back with a final decision.

A comment was made that council tax bills do not include clear information of what to do if people are eligible for reduction in council tax and some could commit fraud unintentionally.

The Portfolio Holder for Customers and Health indicated that some account debts were created from people who do not inform the council that their situation had changed. People on housing benefit and council tax support get a statement on what their new award would be and were asked to contact the Council if the information was not correct.

RESOLVED:

That the Overview and Scrutiny Committee note the recommendations of Cabinet and agreed to ask for an update on the recommendations in six months.

9. PRESENTATION FROM THE MANAGING DIRECTOR OF ROSSO

Phil Smith, Managing Director of Rosso provided Members with information on the Rossendale Bus Company, indicating that he had been in the post for one year.

Rosso has 225 staff, with an annual turnover of £9.3m and an annual wage bill of £3.5m. They have 100 buses in the fleet, with school buses featuring prominently,

having 28 buses undertaking school runs each weekday mainly in Greater Manchester but a small number in Rossendale as well.

In 2014/15 Rosso made a profit of £325k and is on course to be profitable in 2015/16, although this possibly would not exceed the 2014/15 figures. Most fares and ticket prices had not increased since 2013 this is because the nature of rosso's route network means that its customer base is very price sensitive.

New ticket machines were introduced in 2014 which enabled Managers to have a clearer view of the business and its passenger purchasing trends.

The whole bus fleet was now DDA compliant, well ahead of the final deadline of 1st January 2017.

Regular mystery shopper exercises confirms that the Rosso had a good reputation for customer service and has strong engagement with the local communities they serve, eg it has formed partnerships with community groups and organisations that are strongly linked to the communities that the Company's bus routes serve both inside and outside the borough.

They have 3 painted buses which connect to the local community, which are;

- Bury Football Club
- Lancashire Fusiliers
- Britannia Coconutters
- Rochdale Pioneers Museum

In the case of the partnership with the Britannia Coconutters this has evolved into a semi sponsorship arrangement whereby the vehicle takes the dancers to local events where they perform in the summer months.

They have increased marketing on almost all of their buses by providing geographic information and price branding.

In relation to the opportunities and challenges for the bus company, the Managing Director explained that the key issue was Lancashire County Council's decision to withdraw contracted bus services which had cost ROSSO over £250k per annum in lost revenue.

ROSSO had secured the Helmshore service for 12 months from another contractor and had also taken over 3 Greater Manchester all day routes, but this still was a shortfall of approximately £50k from where they started before the loss from LCC was incurred.

The establishment of an elected "metro mayor" in Greater Manchester from May 2017 will almost certainly bring with it a major change to the way in which the market for local bus services is structured within the conurbation. The forthcoming "Buses Bill" which is about to receive its first reading in Parliament will enable the "metro mayor" to introduce a system of contracting for the bus service network and will have

a profound effect upon all bus operators who currently serve the Greater Manchester area.

it was expected that the first contract in Greater Manchester would be in the Autumn 2018. This will cause two issues for Rosso. Firstly, it could potentially lose all its services that it currently operates wholly within the conurbation resulting in serious destabilization of the business. Secondly, it is not yet clear how Transport for Greater Manchester will try to influence / regulate those routes which connect places within the conurbation with those in adjoining LA areas such as Lancashire.

The Bus Service Operators Grant (BSOG) provides a grant for every bus service mile operated in England which was worth £800k per annum to ROSSO, this was linked to fuel consumption at 33p per litre. At present HM Government has no plans to change this scheme, however, there is a concern within the bus industry that it may be further scaled back before the end of this parliament in 2020.

SMART cards were now used on ROSSO buses which were available at local colleges and through online sales. The Transport for Greater Manchester (TfGM) 'Now get me there' cards were also used daily/weekly on ROSSO buses with 500 'get me there journeys' and 500 of their own SMART cards journey.

When asked if using these cards was economical for the company, it was confirmed that it enabled for more accurate passenger number readings to be collected.

In relation to the two new bus stations in Accrington and Rawtenstall, whilst this would enhance the image of bus travel, they will also result in additional operating costs because of higher departure charges.

A number of questions were asked and responded to as follows.

When asked about the risks faced being largely out of the control of the Company itself and how they manage this, the Managing Director indicated that they would ensure that the company was not running mileage they could not afford to run. ROSSO was relatively small and they could therefore take out mileage and be left with the same overheads, options for cost savings were very limited due to most non essential costs having already been addressed.

They would also try to increase revenue from increasing passenger numbers and take opportunities as and when it can if gaps in bus service supply are identified. As ROSSO had a fairly low cost base they could afford to run some services viably that other operators find difficult.

When asked about their fleet, they had made a number of improvements over the years and whilst the age profile was approximately 10 years average, there was a concerted effort ongoing to improve vehicle presentation. They were trying to improve emission levels on older vehicles and had received funding from the Council to improve standard emissions on 30 buses.

The Managing Director advised that Rosso had jointly with TfGM and Volvo submitted a Green Bus Bid to the Department for Transport's "Office for Low

Emmission Vehicles: (OLEV) if successful this would see 11 electric hybrid buses operating Service 464. They would be supported by charging points at Rochdale and Rawtenstall and crucially they would run solely on electric traction in sensitive air quality management areas "AQMA" of which there are two within Rossendale both on the route followed by this service.

When asked about departure costs and who receives the money, the Managing Director explained that LCC get the departure charges to go towards the upkeep and maintenance of bus station facilities with budgeting plans to charge up to £1.50 per departure.

At the moment ROSSO pay 31p per departure at Rawtenstall, which equates to approximately £22k per annum, but the Council has not finalised new charges for the new bus station.

ROSSO do not pay anything at Accrington for departures at the moment, but would commence to do so in middle of May when the new bus station opens and charges have not yet been finalised.

The most expensive departure charge currently is Burnley at 72p per departure, with Transport for Greater Manchester charging 62p. Whilst they were not charged at Blackburn, from 2nd May they will be charged between 60-70p per departure.

When asked if there was an issue about services that start in Rossendale that go into Greater Manchester, the Managing Director indicated that from 2018/19 Lancashire would probably still be fully de-regulated and services that start here may well be subject to different rules once they enter Greater Manchester. Members indicated they were impressed with their marketing strategy and the positive work that continues within the company.

RESOLVED:

The Chair thanked the Managing Director of Rosso for his informative presentation.

The meeting closed at 8.20pm

Signed
(Chair)

Dated