

The Friendly Transport Service (The Friendly Bus)



Location	Shropshire
Founded	1999
Legal structure	Registered as private company limited by guarantee without share capital use of 'Limited' exemption in 2003. Registered as a charity in 2009
Description of services	A bus service to extend "equality of movement" to local people, such as the rurally isolated, the elderly and the disabled
Key assets	Four buses of varying sizes and two cars
Employees	Seven part-time
Volunteers	60 part-time
Most important skill set(s) to successfully running the business	People skills and financial management
Biggest obstacle to success	Finding the right skills to running the business
Relationships	<ul style="list-style-type: none"> – Local authority – A sector body
Notes	<ul style="list-style-type: none"> – Income has been diversified to provide pupil transport for the local authority – There is a strong focus on customer satisfaction. This includes door-to-door drop offs and being flexible wherever possible – As part of community engagement, a small group of volunteers, including some passengers, organise regular coffee mornings and a monthly tombola stall to raise funds



This case study report provides an overview of the Friendly Transport Service (known as The Friendly Bus) and describes the factors that are perceived to underpin its success. The findings are drawn from research commissioned by Power to Change and carried out by NatCen Social Research and WPI Economics. More information about the study and additional research reports can be found on the Power to Change website.

Overview of The Friendly Bus

The Friendly Bus is a community transport organisation (CTO) originally set up in 1999 by a group of local individuals in response to the limited commercial and public transport availability in the rural towns of Broseley and Much Wenlock, in Shropshire. In bridging this transport gap, The Friendly Bus has a strong social emphasis on extending “equality of movement” to individuals and groups in the local areas. This includes the rurally isolated, the elderly, those with disabilities as well as not-for-profit local community groups (e.g. local swimming clubs).

A notable feature of The Friendly Bus’s delivery model is the journey towards growth it has experienced regarding both the assets it owns and the range of services it delivers. In terms of assets, it has grown from renting two buses from another CTO and a local community organisation, to owning a small fleet of four buses of differing sizes. It also expanded in 2001 to offer a community car scheme, enabling local residents to hire volunteer drivers for specific trips (e.g. hospital visits) and has recently introduced a ‘car club’ scheme, allowing local residents to hire cars they can self-drive. The growth in its assets also mirrors the diversification in the services it offers. This has included extending its services from individuals to community groups and, more recently, also undertaking contract work with local authorities to provide pupil transport to local schools.

In addition to growth, the three other key features of The Friendly Bus’s delivery model are: (a) it is governed by a board structure consisting of a chairperson and eight board members; (b) it is run largely by volunteer drivers, but has a small core of paid staff (a CEO, an operational manager, two administrators and two drivers to run the local authority contract services);

and (c) it operates a membership model where individuals and groups need to be registered as members in order to use their services.

Success factors for The Friendly Bus

This section summarises the key factors that are perceived to influence the success of The Friendly Bus, based on interviews with those who are contributing to or using its services. Success factors are grouped according to whether they relate to the business, people involved in setting-up, running or using the businesses or the external environment.

Business

There are three business-related factors important to The Friendly Bus’s success. These are: resilience to financial challenges; the introduction of a strategy for business diversification; and developing a business model which orientates itself toward passenger satisfaction.

Resilience to financial challenges

An integral factor in The Friendly Bus’s success is its resilience to financial challenges and its drive to be relevant to the communities it serves. Central to this is its ability to adapt to meeting local needs and changes in the availability of funding.

A clear example of this adaptability is the service diversification process it has undergone since 2009, which has involved expanding what it currently offers to the community and moving away from reliance on a single source of funding. As mentioned above, an example of its expansion includes the introduction of car-related services to complement the bus services it delivers in order to meet community demand. Bus journeys remain the dominant service provided, with

the number of these journeys roughly trebling between 2009-10 and 2015-16. The individual car scheme requires more administration time from staff. Regarding funding, The Friendly Bus has moved towards a model of drawing on multiple sources, including annual membership fees from individuals and community groups, grants from local charity trusts and, recently, undertaking commercial contract work with local authorities to deliver services to local schools. The key motivation has been to ensure that the organisation is not financially exposed if a single strand of funding comes to an end. This is particularly important in the context of (actual and anticipated) cuts in local authority funding, which has been and continues to be an important source of funding for The Friendly Bus.

Introduction of a diversification strategy

The diversification strategy is in response to the challenges the organisation has experienced to its sustainability in the past, when blocks of grant funding have come to an end. In 2016 around 20% of The Friendly Bus funding was derived from grants, compared to around 37% in 2015. The difference between the two years is a consequence of some lottery funding ending, and in this instance was largely offset by the generation of greater fare income. The Friendly Bus's business model is robust and with some significant further changes, it could survive without its current grant income. At present, by far the largest costs that The Friendly Bus faces are those related to employment and to vehicle operation. As further reductions in grant income are a real possibility, The Friendly Bus is looking at how it can bid for other contracts in addition to the school service it has already secured.

The move towards diversification has only been possible due to the problem-solving culture within in the organisation. Key features of this culture are: an openness on the part of the leadership team to acknowledge the financial challenges facing the organisation; a 'can do' attitude in which these challenges are seen to be a 'springboard' for the organisation to explore new opportunities in funding and service delivery to secure its future; and, 'thinking outside' of the box to explore how its core community services can be cross-subsidised by other work (e.g. contract work). However, this pragmatic approach to the sustainability is underpinned by a commitment

among its leadership team to ensuring that any additional services offered by The Friendly Bus support, rather than compromise, its social objective of providing affordable local transport to all.

Orientation toward passenger satisfaction

Another important factor in The Friendly Bus's success story is its orientation towards passenger satisfaction, which resonates with its social objective and promotes demand for its services. There are two features of the service offered which underlie passenger satisfaction: (a) it offers a tailored, flexible and reliable service to passengers (e.g. mini-buses dropping passengers door-to-door and car hire can be arranged at relatively short notice); and (b) the caring attitude of the drivers (e.g. their willingness to help passengers on and off buses, to accompany them to hospital visits and to drop off groceries to their home if they are unwell).

People

There are four factors related to people which contribute to the success of The Friendly Bus. These include: effective leadership, sufficient numbers of staff and volunteers, high-quality and dedicated volunteers and strong partnership with other CTOs.

Effective leadership

Effective leadership is instrumental in helping The Friendly Bus negotiate the growth of the business. Key to this is the ability of the managerial team to proactively identify the financial challenges to the organisation (discussed earlier), formulate a vision of how to overcome these (e.g. through the gradual diversification of services) and the willingness of the board to engage with and support this vision. More generally, it is thought that financial management skills and people skills are the most important factors to the successful running of the business.

Sufficient numbers of staff and volunteers

The Friendly Bus uses seven part-time paid staff to complement the work undertaken by 60 part-time volunteers. This model has also contributed to its sustainability. As a CTO, The Friendly Bus has limited means to offer paid positions but it has successfully identified business critical roles that require paid staff in order to ensure the continuity, coordination and

growth of its services. This includes having part-time strategic and operational managers who are able to give the time and commitment needed, for example, to coordinate services and to apply for grant and contract funding. Similarly, the use of paid drivers for specific local authority contract work with schools is important in order to ensure that these services are reliably delivered by trained staff who are able to commit the time needed on a weekly basis.

High-quality and dedicated volunteers

The Friendly Bus's delivery model is strongly grounded in volunteers, and this strengthens its connection with the local community. The qualities that volunteers bring to the organisation are important in ensuring that The Friendly Bus delivers a service that passengers would want to use again and recommend to others. As mentioned, key qualities that are valued by passengers include the caring and flexible attitude of the drivers. The Friendly Bus has done well to attract and retain volunteers; a key reason for this is because the CTO's social objectives are seen by the local community as an extension of its own ethos of community spirit and involvement. However, The Friendly Bus has stated that "recruitment of volunteers" is a major obstacle to its overall success. It needs more volunteers because of the large demand for its services that cannot be met by the current volunteers, who are not always available as and when they are needed. Indeed, insufficient time of staff and volunteers is given as one of the biggest obstacles to The Friendly Bus growing as a community business. In response to this, The Friendly Bus draws on community and fundraising events to raise its profile in order to stimulate both the demand for its services and to attract new volunteers.

Strong partnership with other CTOs

A further factor contributing to the success of The Friendly Bus is its partnerships with other CTOs. When it started, The Friendly Bus relied on an arrangement with another community minibus operator to use their larger 16 seater to deliver its services. As the organisation has grown and become more established, it has joined a consortium of local CTOs, which has two positive benefits: (a) it is able to access larger contracts and grant funding opportunities by being part of a

consortium of CTOs that have the capacity to deliver a service on a larger scale; and (b) the consortium gives The Friendly Bus access to the knowledge, skills and experiences of other CTOs around, for example, in identifying funding opportunities.

Community and external environment

There are two key factors related to the community and external environment that strengthen The Friendly Bus and make it successful. These include: meeting local demand for a bus service and taking steps to encourage the wider community buy-in via fundraising events such as coffee mornings.

Meeting local demand

A key strength of The Friendly Bus is that it speaks clearly to an identified market need for the rural community it serves. Although there is some commercial bus provision in the local area it is limited in frequency and the routes it runs, and those services can be expensive. Further, other local operators cannot accommodate the mobility needs of those with disabilities and the elderly. In response, The Friendly Bus offers a tailored, personalised, flexible and affordable service using transport that is suitable for those with disabilities. However, one key challenge for The Friendly Bus is meeting the ever-increasing demand for their services brought on by local authority cuts in public transport, the demise of other CTOs in neighbouring areas, and further restrictions on the type of patients that can access hospital transportation. Given its problem-solving culture, The Friendly Bus also realises that these challenges also present opportunities to expand its services, for example, it is in the process of striking partnerships with local NHS Clinical Commissioning Groups to deliver patient transport. Another challenge is that of addressing regulatory barriers, which The Friendly Bus believes is both a barrier to success and a barrier to growth. It is important to note that this is not about knowledge of how to navigate regulations but is about simply overcoming the regulatory barriers that exist.



Fundraising events encourage community buy-in

A final key external factor to note is the importance of community involvement. In addition to the community being involved as passengers and volunteers delivering the service, The Friendly Bus also draws on them in its fundraising activities. For example, a small group of volunteers, including some passengers, organise regular coffee mornings and a monthly tombola stall to raise funds. All of these activities require the community to be invested in The Friendly Bus, which is fostered by the fact that it has a physical building at the centre of the local area where members of the community can drop-in and get to know staff and volunteers in person and by its staff and volunteers making a point of attending existing community events.

Financial information

The following table provides an overview of The Friendly Transport Service's income, expenditure and assets for the period 01/04/2015 to 31/03/2016.

Income	£78,800
Expenditure	£90,700
Difference between income and expenditure	(£11,900)
Surplus/(deficit) on ordinary activities before taxation	-*
Annual income from grant or subsidy	£15,813
Fixed Assets	£39,137
Current Assets	
Debtors	£2,492
Cash at Bank and in Hand	£103,879
Total	£106,371
Net Assets	£110,282

Source: The Friendly Bus 2015/2016 Accounts, Charities Commission.

*This figure was not directly provided within the accounts.