

Place and Resources Overview Committee

9 July 2026

Public Bus and Community Transport Transformation Outline Business Case For Review and Consultation

Cabinet Member:

Cllr J Andrews, Place Services

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Statutory Authority:

Report status: Public [Choose an item.](#)

1. Executive summary

- 1.1 This report presents an Outline Business Case (OBC) discussing the options for improved public buses and community transport in Dorset and invites the Committee to review the evidence and provide feedback on the proposed strategic direction.
- 1.2 The OBC, presented in Appendix 1, identifies a transport system that is increasingly under pressure and not well suited to the future needs of a rural county. Bus services have declined in recent years and remain limited in frequency and coverage, particularly in rural areas. Community transport plays a vital role but is fragmented, reliant on short term grant funding, and not configured to operate at scale. At the same time, demand for specialist transport, particularly for SEND and Adult Social Care, is rising and is often met through high-cost, individually commissioned journeys. Taken together, the current system is fragmented, inefficient and increasingly difficult to sustain.
- 1.3 The OBC demonstrates that these challenges cannot be addressed through incremental changes alone. Improvements to individual services, while valuable, do not resolve the underlying issues of fragmentation and

inefficiency. The analysis shows that meaningful improvement requires a shift to a more coordinated, system-wide approach.

- 1.4 The proposed direction of travel is therefore to develop a more integrated transport system. This would bring together public bus services, community transport, flexible provision and specialist transport into a single coordinated network. In practice, integration means coordinated timetables, shared vehicles, common booking systems, and multipurpose journeys where possible. The aim is to improve access, make better use of existing vehicles and resources, and reduce reliance on high-cost bespoke transport where appropriate. Residents will see good outcomes: more flexible transport so that our residents can travel with greater independence and confidence. Enhanced public transport will also contribute towards our council plan climate priority through an enhanced public bus system that has the potential to reduce private car use.
- 1.5 The OBC identifies three key components of this approach:
 - 1) reshaping demand, including promoting independence and reducing reliance on specialist provision;
 - 2) improving integration across services through shared planning and coordination; and
 - 3) expanding flexible transport options, particularly in rural areas.
- 1.6 Technology will play an important enabling role, supporting better scheduling, improved use of data and a more consistent user experience.
- 1.7 The model also creates opportunities to work more closely with partners, including the NHS, to better align patient transport and reduce duplication.
- 1.8 Two broad options are presented for further consideration.
 - 1) An Integrated Service Improvement Model, which focuses on strengthening the existing system.
 - 2) A Fully Integrated Transport System, which represents a more comprehensive redesign.

These options reflect different levels of ambition, affordability and pace of change.

- 1.9 The key purpose of this report is therefore to:
 - a) provide Members with an overview of the case for change;
 - b) present the proposed strategic direction and options for improved transport services; and

c) seek feedback to inform the next stage of development.

- 1.10 Member feedback will be used to refine the preferred approach ahead of preparing a Full Business Case and progressing the programme.

2. Recommendations

- 2.1 It is recommended that the Committee:

- a) reviews the Outline Business Case and endorses the proposed strategic direction;
- b) provides feedback on the options for improved transport services, and the preferred pace and scale of transformation to inform the development of the Full Business Case.

3. Reason for the recommendations

- 3.1 The transport system is at a point where existing arrangements are no longer sufficient to respond to rising demand, particularly in SEND and Adult Social Care transport, alongside ongoing decline in public transport provision. Without a clear strategic reset, pressures on cost, access and service performance will continue to increase, limiting the council's ability to meet both statutory responsibilities and wider objectives.
- 3.2 The OBC provides a comprehensive, evidence-based assessment of these issues and identifies a clear need to move toward a more integrated, system-wide approach. However, it also highlights that this represents a significant shift in how transport is planned and delivered, with implications for service design, user expectations and partnership working.
- 3.3 Early engagement with the Committee is therefore required to test the proposed direction, confirm the level of ambition and ensure that the Full Business Case is developed on a clear and supported strategic basis.

4. The Outline Business Case

- 4.1 The OBC provides a structured assessment of Dorset's transport system and the options available to address current and future challenges. It has been developed following Cabinet direction in January 2026. Its purpose is to establish a clear and robust understanding of the issues facing the system, define the scale of change required and identify strategic preferred way forward for further development. At this stage, it does not set out a fully costed or deliverable solution but instead focuses on the overall proposed direction of travel and level of ambition.
- 4.2 The evidence presented in the OBC demonstrates that Dorset's transport system is operating under increasing pressure and is not functioning

effectively as a single, coordinated system. Services are currently delivered across a number of separate arrangements, including public bus services, community transport, Home to School transport and Adult Social Care transport. These services operate largely independently of one another, which limits coordination and results in inefficiencies across the system. This includes duplication of journeys, under-utilisation of vehicles and limited flexibility to respond to changes in demand or user need. These factors increase costs significantly.

- 4.3 Bus services have changed significantly in recent years, with reductions in some areas mainly due to wider national market pressures. In Dorset, this has affected how often services run and when they are available, particularly in rural areas. This work looks at how we can strengthen and improve the network so it better meets residents' needs in the future.
- 4.4 Community transport continues to play an important role in providing access for older and more vulnerable residents. However, the OBC identifies that provision is fragmented across a large number of independently operated schemes, is fragile due to short term grant funding arrangements, and is often reliant on volunteers to coordinate and deliver services. While these services deliver clear local benefits, they are not currently configured to operate at scale or to integrate effectively with other parts of the transport system. This limits their ability to respond consistently to demand and to form part of a more coordinated network.
- 4.5 The most significant pressures identified in the OBC relate to specialist transport services. Demand for SEND Home to School transport has increased steadily in recent years. This is driven by rising numbers of Education, Health and Care Plans (EHCPs) and increasing reliance on specialist placements, which are often located some distance from home. Journeys are typically delivered on a bespoke basis, which limits opportunities for sharing and increases cost. Adult Social Care transport presents similar challenges. Services are largely delivered through dedicated arrangements linked to day opportunities and are typically separate from the wider transport system. While these services are essential in meeting statutory duties, they are resource-intensive and offer limited scope for further efficiency under the current approach.
- 4.6 These operational challenges are reinforced by wider financial and structural pressures. The OBC highlights that Dorset receives comparatively lower levels of government funding for bus services than similar rural authorities, while demand for specialist transport continues to increase. Past and present government bus funding is provided in Appendix 2 of this report. As a result, a significant proportion of current expenditure is committed to maintaining

existing services. This limits the ability to invest in improvements, expand provision or develop alternative models.

- 4.7 Looking ahead, the OBC identifies a number of additional pressures that will further affect the system. These include demographic change, particularly an ageing population, national reforms to SEND and increasing expectations for more flexible, digitally enabled services. Taken together, these trends point toward a system that will become more costly and more difficult to operate unless changes are made.
- 4.8 The Strategic Case concludes that the current system is under increasing pressure and will need to evolve to continue meeting residents' needs in the long term. This report looks at how we can improve the way services work together so they remain reliable, accessible and affordable.
- 4.9 These conclusions are translated into a set of service requirements set out in Section 2.6 of the OBC. These requirements emphasise the need for a system that improves access and connectivity, operates in a more integrated way across services, provides greater flexibility in how journeys are delivered and is financially sustainable over the long term. These requirements form the basis for the development and assessment of options within the Economic Case.
- 4.10 The Economic Case builds on this analysis by considering how these requirements can be delivered. A wide range of options have been identified and assessed, covering demand management, service design, supply and system integration. The key finding from this assessment is that isolated or incremental interventions do not perform strongly on their own. Improvements in one part of the system are dependent on changes elsewhere. As a result, approaches that focus on a single element, such as expanding services or introducing policy changes in isolation, are unlikely to achieve the required level of improvement.
- 4.11 The OBC demonstrates that the highest-performing approaches are those that combine multiple interventions into a single, coordinated model. In particular, three elements are consistently identified as critical: reshaping demand, improving integration across services and expanding flexible transport options. This reflects the interdependent nature of the system and confirms that a more comprehensive, system-wide approach is required.
- 4.12 Based on this analysis, the OBC identifies a clear direction of travel. This is to move toward a more integrated transport system, where services are planned and delivered as a single coordinated network rather than as separate service arrangements. The proposed model brings together the core bus network, community transport, flexible and demand-responsive services, council fleet and specialist transport into a single framework. The intention is to create a

system that is more efficient, more responsive to demand and better able to meet a range of user needs.

- 4.13 For example, this could mean more SEND learners receiving travel training so they can travel independently on public transport, or receive a personal travel budget to help them arrange their own travel, instead of the council providing transport. Community transport and flexible services could operate as local “spokes” collecting passengers from villages and connecting them to central “hub” bus stops, where they can transfer onto main bus routes or rail services. In some situations, there may be opportunities to bring people with similar journeys together so they can travel at the same time, making better use of available vehicles while maintaining appropriate support.
- 4.14 This approach is supported by improvements in technology and the use of data. The OBC highlights that digital tools, including shared scheduling systems, booking platforms and improved data integration, will be key enablers of a more coordinated system. These tools will support better planning of journeys, improved utilisation of vehicles and a more consistent experience for users. They also create opportunities to scale community and flexible transport provision in a way that is currently not possible.
- 4.15 The proposed model also creates opportunities for closer partnership working. In particular, there is potential to better align transport with health services, including NHS patient transport. This could reduce duplication of journeys, improve coordination and support a shift toward greater use of shared and mainstream transport where appropriate. More broadly, the approach supports a move toward more integrated public service delivery.
- 4.16 In addition, the OBC recognises the importance of aligning with wider regional developments. A more integrated and scalable transport system will better position Dorset to respond to changes in governance and funding, including the potential development of a Wessex Strategic Authority. This provides an opportunity to strengthen links with neighbouring areas and to maximise future investment.
- 4.17 To support further development, the OBC presents two option packages. The first is an Integrated Service Improvement Model, which focuses on strengthening coordination and delivery within the existing system. The second is a Fully Integrated Transport System, which represents a more comprehensive redesign of how the system operates. These options reflect different levels of ambition and provide a clear choice between a more gradual approach and a more transformational model with greater long-term impact. The key differences are highlighted below:

Theme	Integrated Service Improvement Model (ISIM)	Fully Integrated Transport System (FITS)
Overall approach	Builds on existing services with improved coordination	Redesigns the system as a single integrated network
Scale of change	Incremental improvements	Transformational change across the system
Integration	Partial integration between services	Full integration across buses, community and specialist transport
Delivery complexity	Low - builds on current structures	High - requires new ways of working and coordination
Risk	Lower implementation risk	Higher delivery and transition risk
Impact on access	Gradual improvements to services	Step-change improvement in access and connectivity
Use of technology	Improved use of current systems	Greater reliance on digital tools and shared platforms
Change for users	Limited changes	More significant changes, including greater use of shared transport
Financial impact	Modest efficiency and cost avoidance	Greater long-term efficiency and cost control
Long-term sustainability	Partial improvement	Strong improvement and more sustainable model

- 4.18 Overall, the OBC provides a consistent and strong case for change. It demonstrates that the current system is fragmented and increasingly difficult to sustain, that demand pressures will continue and that incremental improvements alone will not be sufficient. It identifies a clear direction toward a more integrated, system-wide approach, supported by technology, partnership working and more flexible service models.
- 4.19 The purpose of this stage is to confirm whether this direction of travel is supported and to seek Member views on the scale and pace of change. This will inform the development of the Full Business Case, which will set out the detailed delivery approach, financial model and implementation plan.

5. Alternative options considered

- 5.1 A structured and proportionate approach was taken to identifying and assessing alternative options within the OBC. This is set out in Section 3 and follows established principles, ensuring that a wide range of potential interventions were considered before narrowing to a small number of credible strategic approaches.
- 5.2 The starting point was a comprehensive long list of options, developed across four broad areas: demand management and policy measures, changes to service design and delivery, expansion of transport supply and wider system integration. This ensured that both operational and structural solutions were considered, rather than focusing solely on individual service improvements.
- 5.3 A “do nothing” or continuation of the current model was considered at an early stage and discounted. Continuing with existing arrangements would not address declining bus provision, rising demand for specialist transport or the wider inefficiencies within the system.
- 5.4 A number of standalone or incremental options were also assessed. These included measures such as expanding individual services, increasing funding for community transport or making targeted changes to eligibility and policy. While these options can deliver localised improvements, the OBC found that they do not address the underlying structural issues. In particular, they do not resolve fragmentation between services or improve the overall efficiency of the system.
- 5.5 The appraisal process demonstrated that individual interventions tend to perform weakly when considered in isolation. For example, increasing transport supply without addressing demand pressures risks increasing costs, while demand management measures alone are unlikely to succeed without viable alternatives being in place. As a result, such options were not progressed further as standalone approaches.
- 5.6 The OBC therefore moves from individual interventions to considering combined options, where multiple changes are brought together into a coherent package. This reflects the interdependent nature of transport services, where improvements in one area depend on changes in others.
- 5.7 Through this process, a smaller number of integrated option packages were developed and tested against the programme objectives and critical success factors. These factors include improving access, supporting independence, delivering value for money and enabling long-term sustainability.
- 5.8 This led to the identification of two shortlisted approaches. The first is an Integrated Service Improvement Model, which focuses on strengthening coordination and improving the performance of the existing system. The

second is a Fully Integrated Transport System, which represents a more fundamental redesign of how transport is planned and delivered.

- 5.9 These options reflect different levels of ambition and complexity. The first offers a more incremental and lower-risk pathway, while the second provides greater potential for long-term benefits but requires more significant change. Both options are considered viable and provide a clear basis for further development.
- 5.10 Overall, the approach taken ensures that the preferred direction is grounded in a robust assessment of alternatives. It demonstrates that meaningful improvement cannot be achieved through isolated measures alone, and that a more integrated, system-wide response is required to address the challenges identified in the Strategic Case.

6. Legal considerations

- 6.1 The Council has a range of statutory duties in relation to transport provision, including Home to School Transport and responsibilities under Adult Social Care legislation.
- 6.2 The OBC explores how existing responsibilities can be delivered in a more efficient and sustainable way.
- 6.3 Any future decisions arising from the Full Business Case will be subject to detailed legal review, including consideration of procurement, equalities and public law obligations.

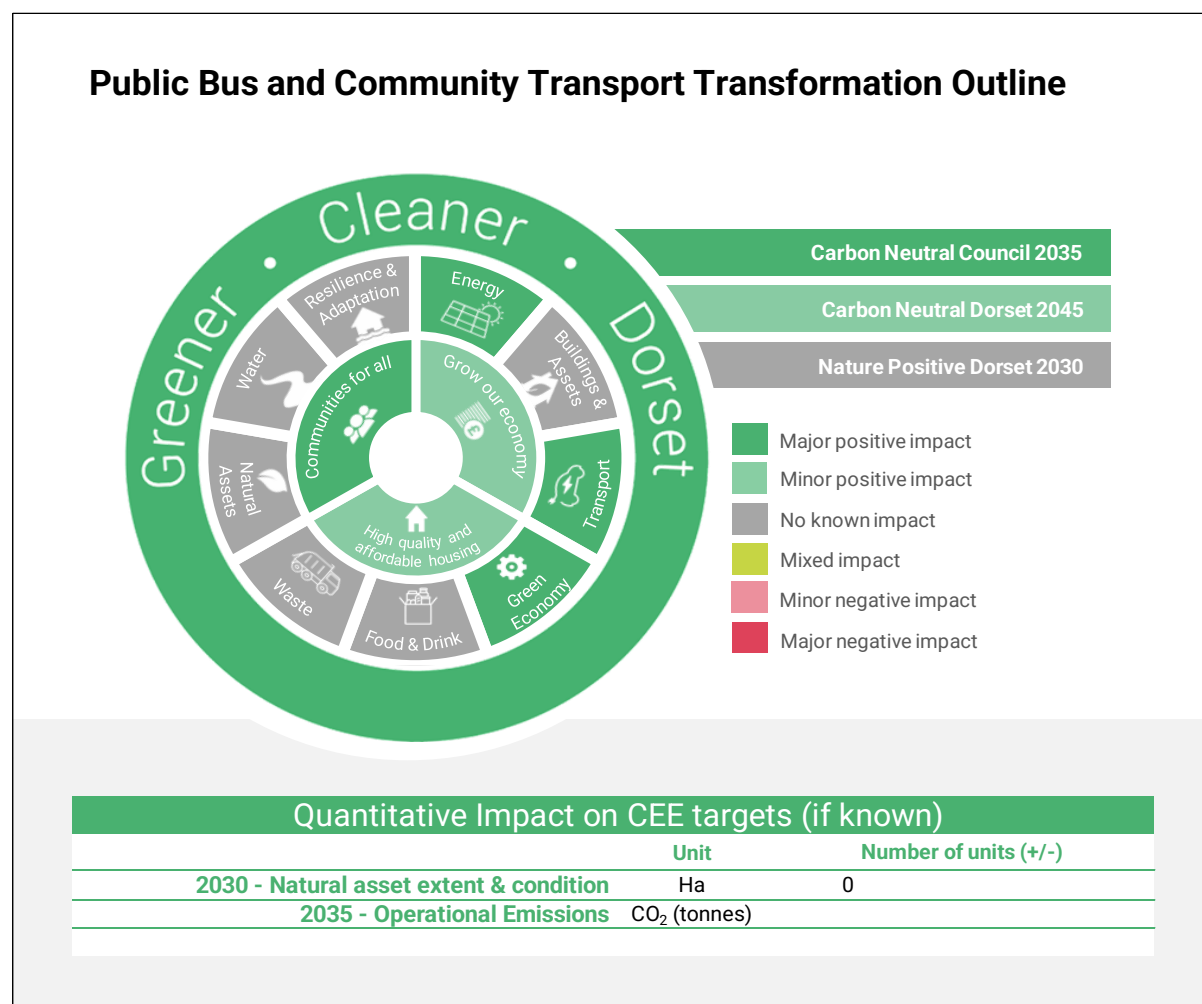
7. Financial implications

- 7.1 The council currently spends circa £40m per year on transport. Transport costs, particularly for SEND, are rising rapidly nationally, driven by increased demand, specialist provision and higher provider costs. The current transport model is therefore unsustainable.
- 7.2 At this stage, the report does not seek approval of funding or confirm detailed financial requirements. Instead, it establishes that:
 - a) the current cost trajectory is not sustainable; and
 - b) a more integrated system offers the potential to improve efficiency and manage demand over time.
- 7.3 While this programme will require upfront investment, it aims to stabilise long-term expenditure by reducing reliance on high-cost provision, improving efficiency and supporting a shift toward more flexible, integrated transport solutions.

7.4 Detailed financial modelling, including costs, funding requirements and potential savings or cost avoidance, will be developed as part of the Full Business Case.

8. Natural environment, climate & ecology implications

8.1 The climate decision wheel is presented below:



8.2 Improving public and community transport has the potential to support a shift away from private car use, reducing carbon emissions and supporting the Council's climate objectives.

8.3 A more integrated and efficient system can also reduce duplication of journeys and make better use of existing resources, contributing to wider environmental benefits.

9. Well-being and health implications

9.1 Transport is a key enabler of access to employment, education, healthcare and community life.

9.2 Improved public buses and community transport will support:

- a) reduced social isolation;
 - b) increased independence for older and vulnerable residents; and
 - c) improved access to services and opportunities.
- 9.3 Improved alignment with NHS patient transport also has the potential to enhance access to healthcare while improving efficiency across the wider system.
- 9.4 The programme also aligns with the council's commitment to becoming Age Friendly, recognising the important role that accessible and reliable transport plays in enabling older residents to remain independent, socially connected and active within their communities. By improving access to services and supporting more flexible, locally delivered transport options, the proposed approach has the potential to reduce isolation, support healthy ageing and enable people to remain living well in their own communities for longer.

10. Other implications

- 10.1 This programme is closely aligned to the ongoing car parking review, which is considering how parking policy and pricing can better support wider transport objectives. Together, these strands of work provide an opportunity to take a more coordinated approach to managing travel demand, improving access to services and supporting a shift toward more sustainable travel choices. In particular, changes to parking policy may create opportunities to reinvest income into public and community transport over time, while also encouraging greater use of shared and flexible transport options where appropriate. Aligning these programmes ensures that transport provision, demand management and revenue strategies are considered as part of a single, joined-up approach to improving the overall system.
- 10.2 This programme aligns closely with the council's wider Communities for All agenda, which focuses on strengthening relationships with residents, improving local access to services and enabling more place-based delivery. The move toward a more integrated transport system supports this approach by improving connectivity within communities, enabling more local access to services and reducing reliance on fragmented, service-specific provision. It also reflects a broader shift toward coordinating services around people and place, rather than organisational boundaries.
- 10.3 The programme will also connect with the Council's Community Conversations activity taking place from July to October. Transport is consistently identified as a key issue by residents, and these conversations will provide an opportunity to gather further feedback on local issues. This will support the development of the Full Business Case and help ensure that future service design reflects local priorities and lived experience.

- 10.4 The programme also supports a more regional approach to transport and aligns with the development of a potential Wessex Combined Authority. Creating a more integrated and scalable transport system strengthens readiness for future regional governance and enables closer alignment with neighbouring authorities. This is particularly important given that travel patterns, labour markets and service access extend beyond administrative boundaries, requiring a more coordinated sub-regional response.
- 10.5 A Wessex Authority would provide the opportunity to improve transport through greater strategic coordination, stronger influence over funding and the ability to plan services at a wider geographic scale. This includes aligning bus networks across boundaries, coordinating investment in infrastructure and supporting the development of more consistent and integrated service offers. For Dorset, the proposed programme provides a clear foundation for this by developing a place based, integrated transport system that can be scaled and aligned with regional priorities, helping to secure investment and deliver improved connectivity for residents and businesses.

11. Risk implications

- 11.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: High

Residual Risk: Low

- 11.2 The main risks relate to:

- a) continuing with an unsustainable transport model;
- b) increasing financial pressure if demand for specialist transport continues to grow; and
- c) the complexity of implementing system-wide change.

- 11.3 Mitigations include:

- a) Development of a Full Business Case with detailed financial modelling and phased implementation options.
- b) Early engagement with operators and suppliers to manage procurement risks and secure capacity.
- c) Integration of risk monitoring into project governance with escalation routes to senior leadership.

- 11.4 These risks will be managed through a phased approach and further detailed analysis at Full Business Case stage.

12. Equalities

- 12.1 Transport has a significant impact on equalities, particularly for:
- a) older residents;
 - b) disabled people;
 - c) young people; and
 - d) those living in rural areas without access to a car.
- 12.2 The OBC aims to improve access and reduce inequalities by creating a more inclusive and accessible transport system.
- 12.3 A full Equalities Impact Assessment will be undertaken at the next stage as proposals are developed in more detail.

13. Appendices

- 13.1 Supporting evidence accompanying this report includes:
- a) Appendix 1 – Outline Business Case
 - b) Appendix 2 – DfT Bus Funding Local Authority Comparisons
 - c) Appendix 3 - Climate Wheel Accessible Table and Recommendations
 - d) Appendix 4 - EQIA Screening

14. Background papers

- 14.1 Previous Committee Decisions:
- a) [Cabinet Decision, Thursday, 29th January, 2026](#)

15. Report sign-off

- 15.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)