Appendix 16 Dolen Teifi community transport proposal

**Email from Dolen Teifi to Hywel Dda Community Transport, 23/04/2026**

Further to your request, I've set out two clear costing models based on the same operating assumptions.

Assumptions used for both options:
> Paid driver rate (including on-costs, holiday cover, admin and coordination): £18.50 per hour
> Service operates Monday to Friday
> All figures are indicative and provided for discussion purposes. Final costs may vary depending on actual routes, demand levels, vehicle type and operational design

**Option 1: Passenger Contribution Model (Mileage-Based)**
Passengers book in advance and pay a fare based on mileage at 59p per mile. This contribution is designed to recover the vehicle running costs only.
The Health Board covers the cost of the driver to ensure the service is reliable and consistent.

9:00am – 12:00pm and 2:00pm – 5:00pm (6 hours per day)
Daily driver cost: £111, Weekly cost: £555, Annual cost: £28,860

8:30am – 12:30pm (4 hours per day)
Daily driver cost: £74, Weekly cost: £370, Annual cost: £19,240

In this model, the Health Board underwrites the driver costs, while passengers contribute directly towards mileage. This helps reduce the overall subsidy required and supports long-term sustainability.

**Option 2: Fully Funded Model (Free Transport to Passenger)**
Passengers access the service free at the point of use, with all costs covered by the Health Board. This includes both driver time and vehicle mileage.

Driver costs (as above):
6-hour day annual cost: £28,860
4-hour day annual cost: £19,240

Vehicle mileage costs:
MPV (passenger rate basis): 59p per mile
Minibus (typical operating cost): £1.80 per mile

The total cost to the Health Board will therefore depend on actual usage, journey lengths, vehicle type and demand levels.

As a broad guide:
A vehicle operating at moderate utilisation (approximately 80–120 miles per day) would generate the following annual mileage costs:

MPV: £12,272 – £18,408 per year
Minibus: £37,440 – £56,160 per year

This would give an estimated total annual cost to the Health Board of:

6-hour model:
MPV: £41,132 – £47,268
Minibus: £66,300 – £85,020

4-hour model:
MPV: £31,512 – £37,648
Minibus: £56,680 – £75,400

**Operational considerations:**
This is for discussion and all costs are indicative at this stage, as actual costs will depend on final routes, scheduling, demand patterns and vehicle type. Vehicle size and configuration are also indicative at this stage and can be aligned to need.

There is the option of operating the service under a Section 22 permit as a fixed route, hail and ride model. Under this approach, services would run to a timetable with designated pick-up points, and passengers holding a concessionary pass would be able to travel free of charge.

Alternatively, the service could operate under a Section 19 permit as a pre-booked model, where passengers book in advance (typically with at least one day's notice). This model offers greater flexibility, particularly in being able to pick passengers up closer to their homes.

Two vehicle types could be used depending on demand and geography:
An accessible MPV (typically 4 seated passengers plus 1 wheelchair space)
A 17-seat accessible minibus, which when carrying a wheelchair would operate at approximately 12 seated passengers plus 1 wheelchair

Cost recovery mechanisms are also available within these models and could be utilised to draw in additional support from Welsh Government and/or Local Authority funding streams. This can help offset the overall cost of delivery and reduce the financial requirement placed on the Health Board.

While the costs outlined above may appear high, they remain significantly lower than equivalent commercial transport provision. There may also be opportunities to reduce the overall cost further through more detailed design, including making use of concessionary fare reimbursement where applicable, and exploring available fuel subsidy schemes which are not currently being claimed.

There are additional variations and hybrid approaches that could also be considered depending on priorities around accessibility, cost and coverage.

Both core models are workable, and the most appropriate option will depend on the balance between accessibility, demand and available budget.