

AUTHORITY MEETING – 6 DECEMBER 2007

NEW FOREST TOUR: 2007 REVIEW

Report by: Chris Gregory, Transport and Tourism Officer

Summary:

1. The New Forest Tour is a recreational open top bus tour which operates for 100 days during the summer season. Along with Hampshire County Council and New Forest District Council, the Authority contributes funding to support the operation of the service.

This report presents Members with a review of the New Forest Tour's performance during 2007.

Recommendation

To note the report.

Resources:

Included in 2007 – 2008 budget

- £15,000 revenue support funding
- £7,000 marketing

Corporate Plan:

Corporate Plan U2:

Review strategies and develop proposals to reduce the impact of traffic on the special environment of the National Park and promote alternatives to private car use, working jointly with relevant authorities

Papers:

NFNPA 221/07:	Cover paper
NFNPA 221/07 Annex 1:	2007 product marketing plan
NFNPA 221/07 Annex 2:	2007 marketing action plan
NFNPA 221/07 Annex 3:	Graphs showing 2007 performance
NFNPA 221/07 Annex 4:	2007 customer feedback analysis
NFNPA 59/06:	New Forest Tour: funding arrangements

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1 Introduction

- 1.1 The New Forest Tour is an open top bus which follows a circular route within the New Forest National Park. The route includes key settlements and visitor attractions and seeks to provide a diverse New Forest car free experience.
- 1.2 The service is provided as a partnership between Solent Blue Line, Hampshire County Council, New Forest District Council, and the Authority.
- 1.3 Members will be aware that the Authority agreed to contribute £15,000 revenue support funding towards the New Forest Tour, for three years starting in April 2006 (NFNPA 59/06). This revenue funding arrangement was mirrored by New Forest District Council. At the start of the 2006 season, Hampshire County Council made a one off capital contribution of £100,000 to Solent Blue Line, to secure the use of the two nearly new buses for a period of three years.
- 1.4 The 100 day season between 26 May and 2 September 2007 was the second year of the Authority's three year funding contribution. This paper presents a review of the 2007 season.

2 Background

- 2.1 The New Forest Tour was first introduced in 2004, and despite the use of older buses, the service proved popular with the public and received national recognition as a leading car free tourism initiative. The same buses remained for the 2005 season, and patronage continued to grow. However, feedback suggested that customers were becoming increasingly disappointed with the reliability and comfort of the buses used.
- 2.2 A new operating model was developed for 2006, which included securing the use of two nearly new buses, increasing the service frequency to hourly and improvements to the route. The Authority, together with Hampshire County Council, and New Forest District Council, agreed to subsidise the service for a period of three years, with the buses being operated by Solent Blue Line.

- 2.3 In the first year of the new operation, the 2006 summer season, the buses operated under the '[City Sightseeing](#)' brand, using a red and blue livery. 9016 passenger journeys were recorded in 2006 which represented a 100% increase over the previous year.
- 2.4 A review of the 2006 season concluded that the City Sightseeing branding should be dropped for 2007 and that marketing action should be developed and implemented by core funding partners, which would allow the service to be developed in a way which was appropriate for the New Forest destination.

3 2007 season marketing

- 3.1 For 2007, the Authority led on the development of a product marketing plan (**Annex 1**) to ensure a joined up and consistent approach to marketing. The content of the product marketing plan and associated marketing action plan (**Annex 2**) was agreed by partners for implementation.
- 3.2 Specific marketing actions in 2007 included:
- the development of new brand and livery, appropriate to the New Forest;
 - the production of the New Forest Tour Official Guide, which was handed to customers as they boarded the bus and included a written commentary, together with discount vouchers for attractions and other services along the route;
 - dedicated [New Forest Tour](#) website, with the ability to offer online ticket sales;
 - product leaflet with a print run of 60 000, distributed to over 300 locations in and around the New Forest;
 - four product specific banners, displayed at Visitor Information Centres and the Wightlink ferry terminal throughout the season;
 - the promotion of car free opportunities arising from the New Forest Tour, in particular it's ability to carry cycles.
- 3.3 The effectiveness of the marketing campaign relied on close partnership working between the funding partners and other stakeholders. Members of the New Forest Tourism Association should be recognised for being particularly active in marketing the New Forest Tour to their customers.

4 2007 season performance

Passenger numbers

- 4.1 In 2007 the service operated for 100 consecutive days between 26 May and 2 September. Some 9879 passenger journeys were recorded (**Annex 3, graph 1**), a rise of 863 over the previous year. **Annex 3** demonstrates that the most popular periods for the New Forest Tour were late July and August: the school holidays and main visitor season.

- 4.2 It is important however, that passenger journey numbers are set in the context of the summer's poor weather, which for England and Wales as a whole has been the wettest since 1912 and the coolest UK summer since 1998. It is felt that the poor weather was a prime reason why growth in the service fell below expected levels.

Operating costs / financial performance

- 4.3 Ticket sales generated £40,582 in revenue in 2007, which again demonstrated a modest increase over 2006.
- 4.4 In the longer term it is intended that operating costs will largely be covered by income from the New Forest Tour itself. Whilst this remains a strong desire of the funding partners, the bus operator is not currently willing to share operating costs with funding partners on the basis that the information is commercially sensitive. Comparisons of operating costs for the 2007 season (**Annex 3, Graphs 2 and 3**), are based on indicative estimates of operating costs (based on standard industry rates) and should be treated with caution. The daily operating cost for the New Forest Tour in 2007 is estimated at £594.
- 4.5 **Graph 2** demonstrates that the service revenue only exceeds operating costs on days in August. **Graph 3** illustrates the gap to reach commercial viability over the course of the 100 day season.
- 4.6 Prior to 2006, only New Forest Tour bus drivers could sell tickets for the service. In 2006, Lymington and Lyndhurst Visitor Information Centres trialled the sale of New Forest Tour tickets, and in 2007 this was actively marketed, together with an online purchase option which was administered by Visitor Information Centre staff. In 2007 this proved a big success with some 24% of all revenue being generated through Visitor Information Centres.
- 4.7 **Annex 3, Graph 4** illustrates the take up of the various ticket options, with sales from the bus driver remaining the most popular. The graph includes customers using the Hampshire Farepass (Concessionary Fare Scheme) which contributes revenue to the service indirectly.

	Summary Table	2006	2007	Explanatory Notes
A	No of passenger journeys	9015	9879	
B	Operating costs	£48,000	£59,400*	*Estimated figure (see 4.4)
C	Marketing Costs	£8,000	£11,000	Estimated marketing contribution from all partners
D	Level of public subsidy	£30,000	£30,000	£15,000 each from the Authority and New Forest District Council
E	Revenue from ticket sales	£36,118	£40,582	Includes tickets sold on bus, through Visitor Information Centres, and Concessionary Fares.
F	Margin = B+C - (D+E)	£10,118	£182	
G	Subsidy per passenger journey	£3.32	£3.04	
H	Authority contribution per passenger journey	£1.66	£1.52	

5 2007 season customer feedback

5.1 The New Forest Tour Official Guide (see 3.2), provided to all customers as they boarded the bus, included a feedback form which customers were encouraged to complete and return. 250 customers (representing a 3.8% response) completed the form in 2007.

5.2 **Annex 4** provides a detailed analysis of the feedback from respondents; the key findings are as follows:

- 93% agreed that the New Forest Tour improved their understanding and enjoyment of the New Forest
- 69% agreed that the weather affected how much they enjoyed the New Forest Tour experience
- 79% agreed that the New Forest Tour will help to reduce the impacts of traffic in the New Forest
- 44% followed, or planned to follow, one of the four walking or cycle routes offered in the Official Guide;
- 10% stopped at Exbury Gardens and paid the entrance fee, before continuing their journey on the bus
- 42% were day visitors
- 58% did not use the car to access the New Forest Tour
- 16% were repeat customers.

- 5.3 Customers also fed back suggestions for a range of minor service enhancements, the most popular being the need for a consistent, high quality commentary. This will be delivered for 2008.
- 5.4 The results of the customer feedback analysis will help to shape the 2008 New Forest Tour marketing campaign.

6 Next steps

- 6.1 In 2008 the New Forest Tour will again operate for 100 days and the season will be pivotal for the future of the service. The Product Marketing Plan introduced for the 2007 will be revised and agreed by partners for 2008, and weather will again be an important factor.
- 6.2 The current public sector revenue support funding arrangement expires at the end of the 2008 season. Options for the future of the New Forest Tour after this time are being discussed with partners and will continue to be developed and refined over the coming months.
- 6.3 A report considering options for the future operation of the New Forest Tour will be presented to members in 2008.

Recommendation

To note the report.