



Best Value Review of Passenger Transport and Halcrow Review of Community Transport

1 October 2004

KEY ISSUE

To provide the views of the Local Committee on the conclusions of the Passenger Transport Best Value Review, and Halcrow's recommendations at the conclusion of the review of Community Transport in Surrey.

SUMMARY

Surrey County Council has recently completed a Best Value Review of Passenger Transport in Surrey. This work was conducted by a task group of the Transportation Select Committee and ran in tandem with a wide-ranging review of Community Transport activity in the county by transport consultants, Halcrow.

Views are sought from Local Committee Members on the findings and conclusions of both the Best Value Review of Passenger Transport and Halcrow's recommendations.

OFFICER RECOMMENDATIONS

The Committee is asked:

To provide its views on the results of Best Value Review of Passenger Transport and the Halcrow Review of Community Transport, so that these may be communicated to the Transportation Select Committee.

INTRODUCTION

1. Surrey's network of local bus services carries out more than 26 million passenger journeys a year. Ten million of these are undertaken on the supported services that Surrey County Council provide through the contract tendering process. There is a need to recognise that mass-transit movement of this type, between town and town and city-to-city, will always be required, particularly in densely populated urban areas. Although we cannot always resolve the increases in the cost of supporting heavily used mainstream bus services, there are sometimes opportunities to develop a wider range of alternatives to meet the diverse requirements of Surrey residents who live in less populated areas of the county, and who need to travel in and around Surrey.
2. In comparison, and perhaps of more significance to the County Council, is the issue of the high cost and relatively low numbers of other journeys it pays for via Adults and Community Care, Children and Young People, Special Educational Needs, mainstream home-to-school transport and its contribution to the county's eleven dial-a-ride schemes. Added together – and with some licence - these perhaps amount to no more than 4.5 million journeys per year, yet cost the County Council in excess of £24 million.
3. Both Surrey County Council and its partners cannot continue to subsidise the unsustainable annual increase in passenger transport costs. Therefore, in order to provide a cost-effective and efficient passenger transport service, it is not sufficient to continue with the current model of passenger transport provision.
4. Evidence from the Best Value Review, Halcrow report, and the consultant's study indicate the potential for achieving savings through better utilisation of vehicles and staff whilst freeing up service departments to concentrate on their core tasks.
5. Although the creation of a Transport Co-ordination Centre would be justified in terms of services provided by the County Council, it is likely to achieve the greatest savings and have the biggest impact through partnership working with districts and boroughs, local Primary Care Trusts and, for those willing to participate, some voluntary organisations. It should be noted however, that this change is not only about making savings, but provides the opportunity to offer clients greater choice through broadening the range of provision, and also to improve the quality and appropriateness of transport in Surrey.

BEST VALUE REVIEW OF PASSENGER TRANSPORT

6. Surrey County Council has recently completed a Best Value Review of Passenger Transport in Surrey. This was carried out in two phases.
7. Phase 1 investigated the current support for socially necessary bus provision and the possibilities for curtailing rapidly rising costs. Over the last two years the County Council has experienced severe rises in the costs of supporting socially necessary local bus services throughout the county through the contract tendering process. After detailed investigations, the Best Value Review Task Group have concluded that this rise in contract costs experienced by the County Council is a national phenomenon and one not confined to the southeast or Surrey itself. Following intensive investigations throughout the UK and Europe, the Team have concluded that any significant improvement in the financial

Item 10

viability of providing these services in the longer term could only come from a radical rethink in the way transport provision was delivered in the county.

8. The second phase – undertaken between November 2003 and May 2004 - built upon the previous work and addressed wider and future issues faced by the County Council in the delivery of transport, from home to school education transport to various social services' requirements. It included an in-depth review taking in a broader picture of the County Council's transport function and was not constrained by the usual Best Value criteria. Detailed investigations revealed that the County Council spends in excess of £36 millions per year in this area and this figure did not include sums currently spent by our neighbouring borough and district councils or, indeed, by various health providers. Throughout Phase 2 the Task Group were conscious of the need to keep a watching brief on the research being carried out simultaneously into community transport activity in the county by the Halcrow transport consultancy as part of a separate study commissioned by the County Council and funded by the Department for Transport.
9. Towards the end of the Surrey Second Phase review and to allow an independent assessment of the Task Group's conclusions to be made, Surrey County Council engaged the same transport consultant used in the Essex model to ensure the findings being drawn were reliable, consistent and achievable. Shires Consulting Ltd were given 6 weeks to review the evidenced gleaned by Surrey's Task Group and a copy of their fully concurring report – including a full copy of the County Council's Best Value Review of Passenger Transport (both with manageable Executive Summaries) - can be obtained through your Local Director.

A NEW DRAFT COMMUNITY TRANSPORT STRATEGY FOR SURREY

10. Since 1985 Surrey County Council has been involved in a wide range of community transport support activities. In May 1992 it formally adopted as policy "A Community Transport Strategy for the 1990s", which was updated in 1998. Since 1998 the pace of change in policy, legislation and funding has quickened, and the links between the provision of public transport and the social exclusion agenda are becoming more widely recognised. Social exclusion can impact on a wide spectrum of groups including people with disabilities, ethnic minorities, the young, the unemployed or the elderly.
11. Against this background the number of older people in the population has increased over the past decades and is projected to increase in the future. The section of the population that is increasing most, both in size and in relation to the total population, is that of people over 75. This age group, often termed the "old elderly" is also the group that is least independent in terms of reliance on a wide range of services, not least transport. The draft strategy seeks to revise the Community Transport Strategy to take account of recent changes in demand, transport provision, legislation and funding.
12. In addition to disabled people who do not have access to a motorcar or conventional public transport, there are significant numbers of frail elderly people and individuals living in isolated rural parts of Surrey who, while not necessarily suffering from some form of physical disability, may still accurately be described as being mobility handicapped. Taken together, a conservative estimate of the total number of people with mobility handicaps in Surrey is between 85,000 and 130,000. It is important to note that this figure excludes various other sections of

Item 10

the community such as women who do not have access to a car during the day, or young people unable to access sports and leisure facilities. It could be argued that such people - particularly young mothers - who may have to travel on buses with a combination of children, pushchairs and heavy shopping - should also be considered as being mobility handicapped.

13. The *precise* number of people with mobility handicaps is unimportant, however. It is sufficient to recognise that approximately 120,000 people throughout the county do not have access to a car and find it extremely difficult or impossible to 'use public transport. Perhaps the strongest evidence of the scale of the problem is provided by the high levels of demand for the fully accessible dial-a-ride services that have been established in the last fifteen years.
14. Each of the districts and boroughs provide or assist in the provision of dial-a-ride services to their residents, there are numerous community bus schemes, and there is a vibrant voluntary sector that includes volunteer car schemes, mainly on a very local basis. Taxi voucher schemes have also been set up in two of the boroughs. There are two rural transport partnership officers who are involved in organising community transport in their respective rural areas.

Dial-a-ride (DAR)

15. There are 11 district or boroughs in Surrey all of which support, to a greater or lesser extent, DAR schemes. These schemes may be directly run by the council or by the not-for-profit sector. The majority of these schemes are run in conjunction with day care centre transport. Most schemes only provide coverage within their respective borough, however some providers such as Runnymede and Elmbridge do provide trips outside the borough. For all the schemes however residency within the Borough/District is a requirement.

Voluntary Schemes (not including dial-a-ride)

16. There are over one hundred voluntary schemes of one form or another in Surrey that operate outside the dial-a-ride arena. There are also a number of Age Concern organisations that assist in transport for the elderly as well as good neighbour schemes and "Helping Hands" or "Care in" organisations. Many of the schemes have a wide range of vehicles available to them. The Age Concern Organisations have access to their own minibuses. The majority, however, rely on volunteers' vehicles.
17. The majority of organisations use volunteers on a part time basis, however a few do employ people on a full time basis. The total annual number of trips is around 30,000.
18. In respect to charging for trips there are a number of schemes that do not charge but rely on donations while others may charge from 25p to 40p per mile. Age Concern will also hire out their vehicles, although at differing rates. Many of the schemes are dependent on fundraising initiatives and donations although a number do receive grants from local and district councils.

Social Services Transport Provision

19. Social Services provide a range of transport services for their clients, who are residents of Surrey with physical or learning disabilities. Clients can access day centres by a fleet operated by a contractor on behalf of Social Services, while other "Direct Payment" clients are provided with funding which they can use to spend on transport services including dial-a-ride or taxis. The County Council service currently operates a fleet of 28 specialised vehicles and sub-contracts 12 coach routes serving Learning Disability Centres. Senior Practical Assistants (SPAs) are provided to operate a further seven routes using vehicles under the control of centres. There are currently 43 SPAs, who undertake in a normal week 2700 passenger trips.
20. Clients travel into the day centres between 0800 and 1000 hours and return home between 1530 and 1730 hours. The buses can be used by the day centre during the day for education and recreation trips, however there are often times when the buses are not being used. Currently the centre manager defines what transport provision they require, they are charged in respect to the number of hours that the SPAs are employed. As at 2004 the centres were being charged £16.90 per hour. The transport service provider agrees with each centre the number of vehicles and hours that they need. Often the centre manager wants flexibility of service however this means that there can be long periods of downtime for the vehicles. There does seem to be a difficulty in using the vehicles at other times, as most passengers want to travel at peak times. This of course implies a degree of compatibility between centre based and general DAR type work.

Transport to Health Facilities on Behalf of Primary Care Trusts

21. There are currently four providers of non-emergency transport in Surrey. In total over 200,000 (209,500) trips per year are undertaken at a cost of approximately £4 millions. There are very significant differences in the cost per passenger trip between the different providers, and some agencies have expressed concern about these differences. The usage for non-emergency transport is approximately 50% medical and 50% social.
22. Surrey Ambulance Service undertakes approximately 3,500 non-emergency trips per week. The total contract value for this service is circa £3.3 million. The organisation has 34 seven seat multi-purpose vehicles and also coordinates a voluntary car driver scheme. All the multi-purpose vehicles have disabled access. Currently the average cost per passenger journey is £18.35 even after taking into account shared journeys. Surrey Oaklands undertake approximately 14,300 trips per year for a contract value of £250,000.
23. Overall the average patient journey is between seven and eight miles. The cost per passenger trip varies according to a number of factors such as the length of the trip and the scope for carrying more than one passenger. Trips to day hospitals are typically shorter, but at a higher volume, while trips to specialist hospitals have a higher mileage and lower volume. The cost per passenger trip ranges from £8.80 to £18.70 implying that there are opportunities to improve the level of service within an overall budget limit.

Item 10

Public Transport Bus Services

24. Currently in Surrey 60% of the total bus mileage is run commercially while the other 40% is contracted to the County Council under its tendering powers in the Transport Acts 1985 and 2000. In the latter case the County Council can stipulate low floor accessible buses. All new buses are now required to be accessible and by 2015 all buses in service will be required to be accessible. Approximately 60% of buses in the County are low floor and meet the regulatory requirements. The local bus funding budget for 2003/4 was £6.62 millions – a high per capita figure compared with many shire counties, reflecting the high levels of tendered operations in Surrey and the relatively high costs of individual tendered services.
25. In rural areas the infrequency of the services and the lack of waiting facilities would make it difficult for the elderly and those with mobility impairments to rely on public transport to make their trips. However service provision in urban areas and for some inter-urban trips is good.

Taxi Voucher Schemes

26. The Tandridge Taxi Voucher Scheme has been running now for over seven years, and a pilot scheme has been launched in the north of Reigate and Banstead. The scheme enables people who cannot access existing transport services because of mobility problems or rural isolation to travel using vouchers to pay or part pay for taxi journeys. Each member of the scheme is given a book of vouchers, valid for one year, to use just like cash, to pay or part pay for taxi journeys. The scheme has many advantages. Overheads are minimal and only involve printing and general administration costs, normally between 10 – 15%. The audit trail is clear and the money only flows from budgets when the vouchers are used. The value of any vouchers left unused at the end of the year can be rolled over into the following year to enable more people to access the scheme.

Rural Transport Partnerships

27. Two Rural Transport Partnerships have been set up in Surrey, representing East and West Surrey. The East Surrey Rural Transport Partnership was set up in the summer of 2002. Its initial focus is on Reigate and Banstead, Mole Valley, and Tandridge. In the longer term it is hoped to extend the work of the partnership to the northerly boroughs in east Surrey of Elmbridge and Epsom and Ewell.
28. The partnership has been involved in setting up a number of schemes at the local level including Wheels 2 Work – a moped hire scheme aimed a young people, the Buses4U demand responsive transport scheme and the One–Stop-Shop community transport information services.

Issues to be addressed

29. From the review of current provision three key issues have been identified. Firstly, the problems that the voluntary sector has in recruiting new volunteers will have a growing impact on community transport provision for the new millennium. Secondly there is an opportunity to improve the efficiency and effectiveness of the services provided. Thirdly, due both to demographic trends

Item 10

and the emphasis that central government has placed on reducing social exclusion, there will be increased demand for community transport services. The work undertaken as part of the County Council's recent review of community transport suggests that current provision is already under strain and that without change in the organisation of provision the current level of demand will be difficult to sustain and the growing demands on the system cannot be addressed.

30. The voluntary sector (not including the not-for-profit organisations) provision of community transport is a key element of community transport in Surrey. Any reduction in the voluntary sector in terms of the number of volunteers or scheme funding will have an impact on accessibility for residents of Surrey. Therefore it could be considered that the reliance solely or extensively on the voluntary sector to provide transport for socially excluded groups in the future should not be advocated.
31. Demographic trends indicate that within the next decade there will be an increase in the numbers of octogenarians in Surrey by as much as 8%. Although not all octogenarians have mobility difficulties it can be seen that the number of frail and elderly residents in Surrey will be growing with the implications on accessibility that this implies.
 - i. Understanding user needs – more generally the lack of understanding of user needs has been identified as a cause for concern.
 - ii. Socially excluded groups – a lack of transport services has been identified for other socially excluded groups such as young people living in rural areas.
 - iii. Inefficiencies of provision - due to the wide range of service providers and lack of integration between them, there is often resource duplication or at other times, under-utilisation of resources.

THE HALCROW REPORT INTO COMMUNITY TRANSPORT

32. As already mentioned in previous paragraphs, while the Best Value second phase work was being conducted, a second major research project was also underway. Throughout 2003 consultants looked at the delivery, development and possible future procurement of community transport for Surrey residents by the County Council. The Halcrow consultancy report into Community Transport (commissioned by the Authority and funded by the Department for Transport) conducted in-depth research into the effectiveness and extent of community transport provision across the county. Over a twelve month period, the consultants organised and hosted a series of seminars across Surrey seeking views from stakeholders, users and providers of community transport on how they saw community transport in its present form and perhaps improving and developing over the next ten to 15 years.
33. A large amount of data on how users and providers saw and envisaged the future of community transport has been gathered. While almost all those questioned valued and welcomed the presence of community transport in their neighbourhood, many felt that the services they used were far from fully satisfactory. At first many were reluctant to openly criticise the services they used (for fear of withdrawal of the service altogether) but raised a number of issues that were important in their own minds.

Item 10

34. In essence the concerns expressed related to issues of:
- Quality
 - Standardisation
 - Efficiency
 - Integration
 - Co-operation
35. After many months of intensive consultation with users and providers, Halcrow make the principal recommendation that to tackle many of the issues highlighted as part of the review, it will be necessary for both the County Council and its partners to consider the establishment of an Integrated Transport Co-ordination Centre that serves the whole of the county. Halcrow suggest that the present fragmented approach to the delivery of community transport across Surrey does little to improve quality, standards or efficiency and, while they concede that Surrey has been hugely successful in developing this type of provision, it has done little to recognise the growing diversity of residents' travel needs.
36. Any move towards the development of a Transport Co-ordination Centre, they suggest, could bring significant economies of scale, contain rising costs and provide a more dynamic, qualitative service to the people of Surrey. To bring even more cross cutting benefits, the Integrated Transport Co-ordination Centre should seek to include in its remit the provision of Day Centre Transport (to entirely relieve those boroughs and districts that provide it at present - either directly or via a contract), together with the provision of non-emergency patient transport services and Social Services transport all under "one roof".
37. Halcrow's principal recommendation is that, in order to build on the success of development of Community Transport over the last 12 to fifteen years, the next logical step in improving efficiency and integration is to develop a One-Stop-Shop for transport that covers the whole county. In other words, it urges the County Council and its partner organisations to pursue the establishment of a Transport Co-ordination Centre that can be the main clearing-house for transport request across Surrey. Halcrow's recommendation of a radical re-think in the way transport for Surrey's mobility impaired might be provided in the future has been arrived at completely independently of any concurrent research.
38. The consultants go further by suggesting that with the advancement in computer telematic application software now more widely available in the UK, a great deal more journey requests can be met, more quickly and over long periods of the day and week. A copy of the full Halcrow report, together with an Executive Summary can be obtained from your Local Director.
39. In the short term it is suggested that a board would be appointed to develop the umbrella organisations known as "Local Transport Co-ordination Centres"(LTCCs). The board would include representatives from the Local Strategic Partnership, PCT's, Social Services, the districts and boroughs, transport officers from the County Council and user groups. This would mean that all those organisations that are involved in providing community transport services would be working together to provide a co-ordinated, integrated approach to community transport.
40. The objective of the LTCCs would be to take on the responsibility of managing, providing and coordinating the range of community transport services, this would include what is currently known as Dial-a-Ride, day centre transport, social

Item 10

services provision, and, should the PCTs wish, non-emergency passenger transport. This will involve a gradual and staged process.

41. It may be appropriate in the short term for the centre to take on the booking of trips, this would involve the transfer of data from the current organisations to the centre. The next step would be the transfer of vehicles to the centre so that the centres would be operating and managing provision. When the DAR and daycentre provision have been transferred to the LTCC it is suggested that DAR provision be re-branded as a demand responsive transport provision that is available to all socially excluded groups. It would be appropriate to consider an integrated image for the service with a common livery but recognising the area basis of provision.
42. It is suggested that the introduction of the different areas of provision to the LTCC should also be staged. It is anticipated that DAR would be the first step, however it may be that another type of provision would be in a better position to be the first to be transferred to the LTCC. The vehicle brokerage system should also be set up in the short-term as should liaising with the voluntary car schemes. As noted above it is recommended that the local and voluntary car schemes should remain operationally independent of the LTCC.
43. In the medium term the LTCC would expand provision to that of providing generally available semi-scheduled demand responsive services. The County Council public transport staff would be expected to work closely with the LTCC to identify those areas of the County where demand responsive service provision could take the place of conventional fixed route operations.
44. A general analysis of trips made using the various DAR and other facilities in the County reveals a myriad of complex trip movements with many overlapping requirements. Whilst it is recognised that many passengers have special needs the introduction of a number of strategically located "Transport Care Interchanges" could greatly improve the operational efficiency of services.
45. With the introduction of new technology it is also suggested that a long term objective of the strategy will be for passengers to be able to book their trips using the web. Although it is recognised that at present computer ownership and access to new technology is lowest amongst the more elderly groups, the take up of new technology is likely to spread through these groups in the longer term.

DETAILED REPORTS

46. The full Best Value Report to the Transportation Select Committee showing the detailed findings, conclusions and recommendations of the Best Value Review team, the Appraisal and Recommendations Report from Shires Consulting Ltd (a review of the work and conclusions of the Best Value Team), the Halcrow Report into Community Transport, together with a financial summary of current transport costs compiled by Surrey County Council are available on the County Council's website, or can be obtained from your Local Director.

KEY FINDING OF THE REVIEW

47. The principal recommendation of the Best Value Review, which is supported by Shires Consulting Ltd and, in the case of the delivery of future community

Item 10

transport provision, the Halcrow Consultancy, is to establish an integrated Transport Co-ordination Centre for Surrey.

48. The Best Value Report, incorporating Halcrow's work and the Shires Consulting Limited overview was presented to the County Council's Transport Select Committee on the 29th July 2004. All the recommendations within the report were endorsed and agreed by Select Committee Members. The recommendations are set out below:
- i. In order to cope with rising cost and demand of passenger transport in the most cost effective and efficient way, Surrey County Council should work with partners to establish a Transport Coordination Centre for Surrey.
 - ii. In order to ensure the best possible integration benefits, the partnership should include Borough and District Councils, Primary Care Trusts, Community Transport Operators, the Voluntary Sector and Surrey County Council.
 - iii. The Transport Co-ordination Centre should be developed in an incremental manner, similar to that recommended by Shires Consulting.
 - iv. The Transport Co-ordination Centre should be tasked with building on best practice, developing innovative transportation solutions and exploring opportunities for income generation. It should also aim to address all user group needs including youth, young families and the rurally isolated.
 - v. Should the Executive agree to create a Transport Co-ordination Centre, Surrey County Council would need to establish an intelligent client function to work with services and partners in setting policy, standards, and performance measures, clarifying eligibility criteria, and to monitor any potential TCC contract.
 - vi. To develop a detailed business case and implementation plan for the creation of a Transport Co-ordination Centre, it will be necessary to appoint a specialist. This would include scoping for the work required to review transport criteria for Surrey County Council provided services. In order to fund this work, an initial sum of £100,000 should be made immediately available to the Head of Transportation.
 - vii. Should the Executive take the decision to proceed with the development of a Transport Co-ordination Centre, in the interim period funding should continue to be made available to support existing and new passenger transport services.
 - viii. Surrey County Council should support Halcrow's recommendation to ensure continued funding of the Rural Transport Partnerships in order to build on their success. Should the Executive decide to create a Transport Co-ordination Centre, support for RTPs should be included within the identified funding.
49. The report and its appendices will now go before the County Council's Executive in late October.

CONSULTATION

50. The views of Local Committees and others are being sought so that the Executive may be properly appraised prior to the Best Value Report being presented to them in October.

CONCLUSIONS

51. There is a wide array of passenger transport provision in Surrey but it is far from integrated. Consequently, the benefits of maximising the use of resources are not being achieved and costs are unnecessarily high. Partner organisations that provide community transport, are similarly suffering from rising transport costs, which are clearly unsustainable. Therefore, both the climate and the time are 'right' for the benefits of co-ordinating transport to be realised.
52. Other local authorities have found that better utilisation of vehicles has delivered a better quality of service, curbed increases in costs and produced savings.
53. The Best Value Review, the Halcrow report and the work carried out by Shires Consulting conclude that any form of a Transport Co-ordination Centre in Surrey would produce savings, but would be most beneficial if undertaken with partners.
54. Examples of practice where millions of journeys are managed by just a small number of people shows the potential for achieving savings in Surrey through a Transport Co-ordination Centre that employs less staff than at present. The benefits would be truly enhanced if smart IT systems were put in place.
55. Changes in the way in which services are delivered necessitate a change in the way transport is provided. Passenger transport provision needs to be varied to maximise vehicle use and allow choice.
56. Due to the rising costs of the local bus industry, buses may not always be the most appropriate form of passenger transport, particularly in rural areas of Surrey. In order to widen the scope to include more economical forms of transport, alternative models of support and provision need to be developed.
57. Although a detailed financial case has yet to be calculated, experience elsewhere indicates that savings in excess of £4 million per annum could be achieved through the use of a Transport Co-ordination Centre that is suitably equipped with the latest smart technology.
58. In the past, emphasis has been on providing for the needs of the elderly and disabled and less attention has been paid to meeting the need of other groups who do not have easy access to transport such as young people, young families, and those in rural areas. Therefore, passenger transport should be targeted at a greater variety of user groups that experience social isolation in some way.
59. Easing of legislation would further open up the opportunity for community transport initiatives to be realised.
60. Halcrow identified that voluntary schemes work well on a local and independent basis and should be encouraged to remain so if they wish.

Item 10

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BACKGROUND PAPERS: Best Value Review of Passenger Transport
Halcrow Review of Community Transport
