



Best Value Review of Passenger Transport

**Local Committee for Woking
29 September 2004**

KEY ISSUE:

To discuss the findings and conclusions of the Best Value Review of Passenger Transport and Halcrow's recommendations.

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.

OFFICER RECOMMENDATIONS:

The Committee is asked to comment on the findings and conclusions of both the Best Value Review of Passenger Transport and Halcrow's recommendations.

Introduction and background

1. Surrey County Council has recently completed a Best Value Review of Passenger Transport in Surrey. This was carried out in two phases.
2. 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 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.
3. 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 spend in excess of £36 millions per year in this area and this figured 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.
4. During phase 2, the Task Group visited a number of other county authorities (Cheshire, Devon and Essex) to view first hand the procedures in place to deliver a range of transport functions all under "one roof". Cheshire and Devon have been providing transport from their Transport Co-ordination Centres for more than fifteen years and have been able to demonstrate significant savings over that period. By contrast Essex County Council has only recently taken the decision to develop a Transport Co-ordination Centre – interestingly, following a Best Value Review of their transport services. During that Review it became increasingly clear to the review team that rising costs in the bus industry and other constraints were preventing the

authority improving its delivery – both in terms of economy and quality.

5. During the Review, Essex County Council engaged independent transport consultants to gauge and measure the Review Team's finding and give a reality check to some of the assumptions and conclusions being drawn. Overwhelmingly, the consultants concurred with the Essex Review Team's findings and a programme of change – for the development of a functional Transport Co-ordination Centre began in early 2003. The Essex Transport Co-ordination Centre is now 18 months old and has already demonstrated significant savings both in terms of finance, quality and responsiveness.
6. 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 County Council's Best Value Review of Passenger Transport (both with manageable Executive Summaries) - can be obtained through your Local Director.

The Halcrow Report Into Community Transport

7. 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.
8. 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. In essence the concerns expressed related to issues of:

- Quality;
- Standardisation;
- Efficiency;
- Integration; and
- Co-operation.

9. 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 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.
10. 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".
11. 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.
12. 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.

Detailed Reports

13. 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 can be obtained from your Local Director.

Key Finding Of The Review

14. The principal recommendation of the Best Value Review – and supported by both Shires Consulting Ltd and, in the case of the delivery of future community transport provision, the Halcrow Consultancy, is to establish a integrated Transport Co-ordination Centre for Surrey.
15. 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 report and its appendices will now go before the County Council's Executive in late October.
16. 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.

Report by: Stephen Styles, Principal Transport Officer

LEAD/CONTACT OFFICER: Paul Millin

TELEPHONE NUMBER: 020 8541 9365

BACKGROUND PAPERS: Strategic Review of Passenger Transport
Draft Surrey Community Transport Strategy for the New Millennium
Transport Costs
Appraisal of recommendations of Surrey County Council's Review of Passenger Transport

Version No. one

Date: 06.09.04

Initials: PM

No of annexes: None