

Report to Select Committee on Pegasus Review

Background

The Pegasus Pilot Scheme is an innovative transport service for primary aged school children in Guildford and surrounding areas. It serves 14 primary schools using a fleet of 22 buses. The scheme was developed as a 5-year pilot which finishes in December 2010.

A decision is required about the future of the service to ensure that schools are able to provide full information about their admissions criteria in good time for parents to make informed choices of school in 2009 – 2010.

A review has been carried out to look at the effectiveness of the pilot scheme and to examine if the service should be continued, changed or extended. The review has identified a way forward for the Executive to consider:

"The Pegasus project is an innovative solution for the Home-to-School run, reducing traffic congestion and providing a high quality, credible, safe and secure alternative to the private car. This approach is compatible with the national agenda for improving public transport, discouraging adult dependency on using the car for routine journeys, reducing harmful vehicle emissions and improving community access to key services. It will achieve the type of step-change in perception that cannot be realised by just introducing more conventional local bus services."

A Private Finance Initiative Bid was submitted in 2000, to support a scheme to cover the whole county, but was not successful. The revised pilot project covers the Guildford area and has been funded through Passenger Transport Group. Budget provision for the service is secure until 2010/11.

The original aims of the scheme

To collect primary school children from a reasonably close distance to where they live and transport them to and from school

- There are 22 buses operating in the Guildford Area (544 children) with some services extending into Waverley (205 children), Mole Valley (66 children) and Woking (30 children)
- The scheme serves 14 schools
- 840 children are registered with the service
- 145 children are entitled to free school transport
- Overall seat occupancy is 93%
- There is a waiting list to use the service

To reduce traffic congestion by providing a real and credible alternative to the use of the private car on the school run

A survey of users of the service in 2007, led by SCC Transportation Studies based on the first 9 schools involved in the scheme showed:

- A departure from car use in favour of Pegasus
- Reduction in the proportion of students travelling to school by car
- Schools reported a significant decrease in school gate congestion

To discourage adult dependency on using the car for routine journeys and provide a generation of children with a positive experience of public transport provision

The 2008 First Beeline Pegasus Survey of parents using the scheme found that 95% of respondents agreed their child enjoys and has a positive experience of travelling on Pegasus. 84% of respondents stated their child would travel to school by private car if the Pegasus service was unavailable.

As the service has only been running to full capacity for one year, and in the absence of detailed baseline data and detailed monitoring processes, it has not been possible to establish if the service has met all of its key objectives, but from the survey evidence it is clear that parents and children benefit from the scheme.

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| Initial Capital cost to purchase the buses, real time equipment depot modifications and improvements to school access points. | £3,306,117.00 |
| Revenue costs for the 06/07 to 07/08 financial years. | £1,576,315 (two years) |
| Projected costs to continue until the end of the pilot period for the 08/09 to 09/10 financial years (this is an approximate figure and does not take into account RPI increases or changes in market conditions). | £2,010,832 (two years) |

Future of Service

A decision is required at this time to ensure that schools are able to provide full information about their admissions criteria in good time for parents to make informed choices of school in 2009 – 2010.

If the service is re-tendered under a new contract for up to two years, aligning with school academic dates, with an option to continue, this will provide continuity of service and the opportunity to negotiate a new contract with improved terms and conditions, in particular with regard to opportunities to increase income generation.

A contract in the region of two years has been suggested as a one-year contract is unlikely to produce any expressions of interest from the market. This would also allow time to consider future options outlined in the proposed feasibility study.

The new contract would:

- Be developed in discussion with Passenger Transport Group and Procurement
- Be managed through Passenger Transport Group
- Have clear service objectives and targets
- Include robust monitoring arrangements
- Have clear audit trail regarding income generation
- Explore TCC involvement in managing the service
- Resource proactive marketing to use the buses out of contracted hours
- Encourage PTG to use Pegasus for local bus work/park and ride
- Be let for two years with an option to extend
- Have a clear code of practice for managing external hire
- Review the pricing structure

The Feasibility Study

Future provision of primary school transport should be considered within the wider context of the Accessibility Strategy and will require further research and evaluation before a robust evidence based business case can be put forward.

This is a priority in a number of Central Government Policy Agendas.

The Guildford pilot has been successful and has met the expectations of parents, children and schools and has contributed to the priorities in the Local Transport Plan 2.

These achievements reflect the aims of the Yellow Bus Commission which recommends that dedicated school buses should be provided for primary school children living over one mile from school.

As the Pegasus pilot scheme comes to an end there is an opportunity to look at the lessons learnt and to inform future decisions around primary school transport in Surrey.

Working with colleagues in PTG and Procurement and building on the good working relationships established in the first phase of this review, a feasibility study will take into account these key issues:

- Criteria to identify which schools could take part and which areas should be targeted
- Clearly identified key objectives and benefits
- Baseline data to inform monitoring and evaluation process
- Market research of primary schools to provide evidence of need, potential take up and physical access for vehicles
- Mapping to identify significant areas of congestion
- Analysis of demographic trends
- Projecting future school choice trends and catchment areas
- Cost comparison between purchasing and leasing vehicles
- Infrastructure to support scheme including parking, servicing fuel supply etc.
- Identify potential funding sources
- Identify potential role of Transport Co-ordination Centre to deliver the service and resource implications
- Potential to implement staggered school hours
- Learn from good practice in other local authorities providing similar school transport initiatives
- Explore links to local bus services and school buses
- Set within the policy context for primary school transport provision including discretionary school transport
- Identify links to the overall vision for the county and the agenda for the future of Transport for Surrey

This study will explore the potential to provide a more sustainable and equitable service, which will be cost effective, using what the market can provide in terms of school transport through a robust procurement process. As well as many non-monetary benefits, including greater choice of school and equity of travel options, this offers an opportunity to develop an innovative approach to transport integration for all services across the county through the Transport Co-ordination Centre maximising the use of the vehicles, which could result in a cost savings for other services.

Recommendation

The Pegasus service is re-tendered under a new contract to tie in with academic years, for a period in the region of two years, and at the same time a feasibility study is carried out to fully explore the possible future provision of primary school transport in Surrey.

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