

Appendix B

CAMBRIDGESHIRE FUTURE TRANSPORT INITIATIVE

To: Cabinet

Date: 25th October 2011

From: Executive Director: Environment Services

Electoral division(s): All

Forward Plan ref: Not applicable *Key decision:* No

Purpose: To review progress with the Cambridgeshire Future Transport project

Recommendation: Cabinet is recommended to:

- a) Note progress on developing the Cambridgeshire Future Transport Project
- b) Establish the three micro franchise pilot projects noted in this report.

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1.0 PURPOSE

1.1 To update Cabinet on progress with the Cambridgeshire Future Transport initiative and in particular the introduction of pilot micro franchise schemes.

2.0 BACKGROUND

2.1 Cambridgeshire Future Transport is a joint initiative with partners from across Cambridgeshire and Peterborough including local authorities, health services, community groups and transport providers, working together to find solutions to Cambridgeshire's transport and accessibility challenges.

2.2 The purpose of this programme, as defined by the Governance Group set up to oversee the project, is to identify practical, achievable and sustainable transport solutions through more effective, efficient and coordinated transport delivery mechanisms.

2.3 The programme will explore new models that:

- strengthen the connections between transport solutions and community outcomes,
- enable the pooling of resources across boundaries where applicable
- provide a strategic framework to bring partners together
- stimulate opportunities to create new community joint ventures to operate as local commissioning bodies
- engage more widely with other services to explore the potential to innovate and improve service accessibility in ways that reduce the need for journey.

2.4 The Governance Group on the 1st of July gave its support to the development of a number of pathfinder/pilot schemes and the proposed incremental approach to developing them from October until March next year.

2.5 Cabinet on the 5th of July approved the following recommendations;

- The principle of establishing a Transport for Cambridgeshire partnership (to be termed Transport for Cambridgeshire) to oversee the Cambridgeshire Future Transport project and enter into discussions with partners to develop this concept further.
- Invite the passenger transport funding partners in Cambridgeshire to enter into discussions regarding the sharing of their passenger transport budgets to deliver more effective transport services
- Develop pathfinder projects for local passenger transport consortia as set out in this report.
- Invite expressions of interest from businesses and organisations wishing to contribute to the provision of local passenger transport.

3.0 PROGRESS

3.1 The following sections set down progress that has been made on each of the recommendations made by Cabinet in July.

Transport for Cambridgeshire and sharing of budgets

3.2 Significant progress has been made on the development of Transport for Cambridgeshire and how this could work to coordinate commissioning and spend on public transport across partners more effectively. Further work is still required, but so far, key actions have been to:

- Identifying exact spends for Passenger Transport from the county council's Adult Services and Children's Services.
- Identify a potential governance structure
- Develop back office functions to support other public transport delivery models particularly through the Council's contact centre
- Discuss with partner organisations the scope for jointly commissioning cost effective transport options to meet the needs of the service / local people and whether this provides opportunities to pool budgets

3.3 Transport for Cambridgeshire, once set up, will be able to look at allocating and supporting franchises (see below) by providing the back office functions. It will also be able to look at alternative methods of delivery within areas where a franchise is unsuitable to operate. Existing Transport and Community groups will feed into this, which will allow it to deliver transport to meet accessibility needs. The foundation of this project rests on our ability to explore ways that the current budgets can be used more flexibly for the benefit of local communities, within the constraints of our statutory duties. The budgets in scope include Adult passenger transport (£1.5m), Childrens and Young Peoples Services (CYPS) home to school transport (£10m), CYPS Home to school transport special (£4.8m) and the NHS transport budget (approx £4.6m).

Local Transport Consortia

3.4 Detailed work on the two proposed Local Transport Consortia (LTC) in the North and West of the county has been carried out. Based on advice from partners and from transport consultants TAS, the current view is that the Transport Consortia concept is not the most efficient way of delivering services. The importance of maintaining the local/community element to identifying service requirements is still as strong as ever though and so alternative means of identifying needs are being defined.

3.5 As well as the work on the LTC, specific project proposals have also been worked up in these areas looking at different ways of delivering greater access. This work is ongoing and Fenland District Council has identified a number of projects that they are currently progressing and would hope to move towards delivering shortly:

- Doddington Hospital - NHS patient transport pilot minibus project
- Chatteris Area to Ramsey and Huntingdon - Looking at cross boundary issues from Fenland into Huntingdonshire for NHS patient journeys and Post 16 education.
- Villages North of Wisbech including South Lincolnshire – improving access for communities north of Wisbech
- Doddington and Peterborough Hospitals via Whittlesey – Looking to extend the DAR service
- March - including the town service, access to the rail station and connections with commercial bus services

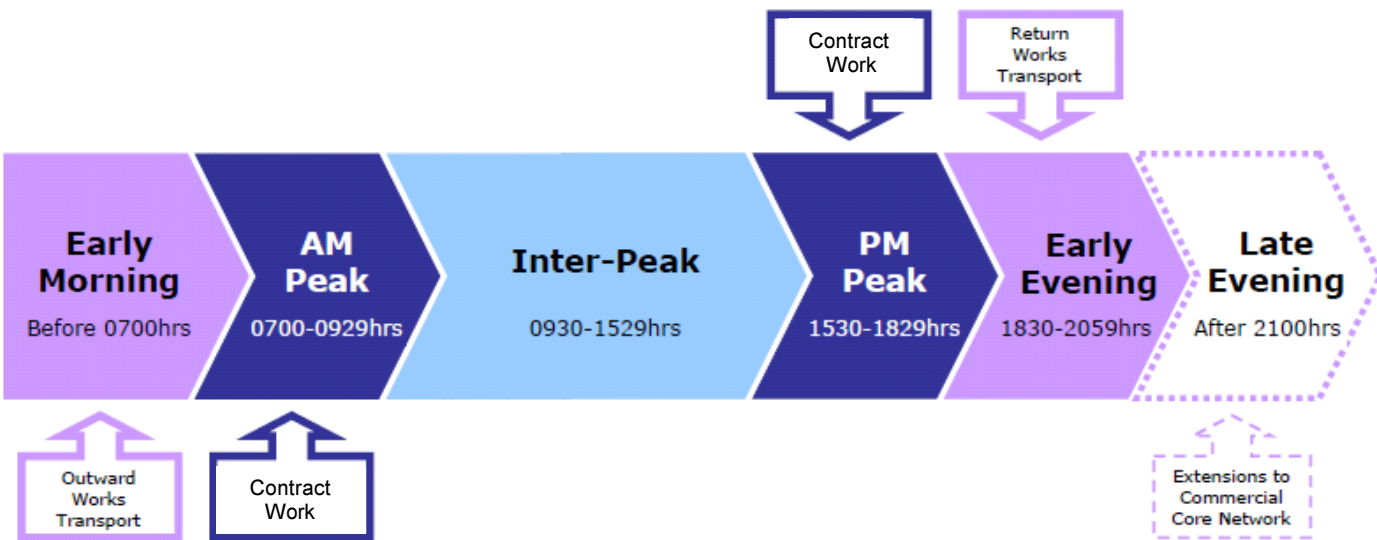
3.6 These are all exciting new projects which it is hoped will improve accessibility for the residents of Fenland.

Franchise Pilot

- 3.7 Work on the micro franchise pilots has developed to a stage where these should be ready for implementation in December 2011. The basic concept is similar to a commercial franchise where a right is granted to an individual or group to market and deliver a company's goods or services within a certain geographical territory or to a certain group of potential customers. The aim of our model is to provide a new way of delivering locally tailored, potentially semi demand responsive transport services throughout Cambridgeshire. It is also expected that this means of provision will be much more efficient than standard models of provision.
- 3.8 In the long run, the concept is that there will be a large number of franchised vehicles operating across the county with the County Council using its purchasing power and organisational and business capability to procure vehicles and support the franchisees during the set-up, bedding down and further development stages of their businesses. Although the aim is for the franchises to be profitable there are some areas of the county where there may need to be some level of subsidy and this will need to be determined as the model is rolled out.
- 3.9 As with any new product or service, it is beneficial to trial the concept prior to full roll out. Three potential areas for trials of the franchise concept have therefore been identified, each with slightly different characteristics.
- 3.10 The offer to the franchisees will consist of the following:
- Vehicle: taxed and insured
 - Vehicle maintenance
 - A strong brand identity and marketing
 - Vehicle registration/licensing: traffic commissioners for registered routes, district council for private hire vehicles.
 - An area in which to operate
 - Support in identifying viable routes.
 - Access to data
 - Training – Provided in-house
 - Business Support/Administration (accountancy/tax advice)
 - Co-ordination role for the contact center/single point of contact: group booking exploration.
- 3.11 Ultimately, in return the County Council will receive a franchise fee and delivery of locally responsive public transport, although in the trial, a franchise fee will not be charged. Indeed, for the trial, it will be necessary to ensure that the franchisee is not financially penalised for taking part in the pilot and they will also need to be incentivised to act in an entrepreneurial manner.
- 3.12 The estimated budget for the three pilots combined is approximately £159,500 based on;
- Provision of three minibuses -£120,000
 - Conversion costs - £4,500
 - Legal Advice - £5,000
 - Marketing - £20,000
 - Other costs - £10,000

- 3.13 The funding for the pilots would come from the Invest to Transform Reserve. Post pilot we would look for this up-front investment to be re-paid by the franchisee through a franchise fee, over a period of 5 years.
- 3.14 The first two of these franchise pilots are planned to launch in December and the third in January 2012. The form of these is proposed as follows:

Tender led franchise– This project is centred around Duxford/Linton. The proposal is that it will include provision of a County Council tendered contract, and following work with local members, in the early morning and evening the franchisee could feed local residents into Whittlesford station to connect with the commuter trains. This would leave a period during the day when the franchisee would be supported in identifying opportunities to provide services that the local community require. The potential operation of the franchise is shown graphically below.



Feeder Service franchise – this would be based around Swavesey/Longstanton and provide for community needs and feed into the Guided Busway.

Over Day center currently own a vehicle. This vehicle is currently only used between the hours of 9.30-10.30 and 3.00-4.30. The county council could look to provide this service, for an agreed fee, as part of a franchise and then the franchisee could use the mini bus outside of these times for other local services to be developed. Pre-9.30 the franchisee could feed commuters into the busway. Post 4.30 it would pick them up and take them back to their villages. It could also allow people to book transport from the busway late at night.

Community led franchise – this would be based around Haddenham/ Wilburton and again follows discussions of opportunities identified by local members. Haddenham Parish Council and their local county councillor have identified a need in the area for a better bus service. They see the franchise model as an opportunity to deliver their own services. They would source the driver from the local community which gives at least one resident a local job. This person would use their local knowledge and the local parish councillors to look at what transport need the local area has.

4.0 NEXT STEPS AND RECOMMENDATION

- 4.1 It is anticipated that if agreed, the first two franchise pilots will be up and running by early December. It is anticipated that the pilots will run for six months with a full evaluation of their benefits being undertaken within this period. This doesn't preclude any new franchisees coming forward within this period and indeed that will be promoted. All projects will be monitored and assessed against defined performance criteria.
- 4.2 If the trial is successful in providing better transport solutions for local communities, within the funding envelope and taking into account statutory duties, we will consider how the model can be rolled out progressively across Cambridgeshire. Given the proposed reduction in tendered bus services on which a consultation is currently underway, it is expected that the first areas for introduction of the franchises in full operational mode will be those areas proposed for the first bus service withdrawals. These areas have not yet been identified but will be subject to the results of the consultation.
- 4.3 Cabinet is recommended to:
- a) Note progress on developing the Cambridgeshire Future Transport Project
 - b) Establish the three micro franchise pilot projects noted in this report.

5. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING

The following bullet section set out details of implications identified:

5.1 Supporting and protecting vulnerable people when they need it most

The new model would allow the exploration of innovative means of provision to improve accessibility through a more integrated, efficient approach to delivering transport in line with our statutory and discretionary policies

5.2 Helping people live healthy and independent lives in their communities

It is anticipated that Cambridgeshire Future Transport will be able to deliver wider community outcomes through identifying practical, achievable and sustainable solutions that will achieve greater value for money.

5.3 Developing the local economy for the benefit of all

The new model aims to stimulate market innovation and response as well as open opportunities to create new community joint ventures.

The model should enable us to support enterprise and accelerate improvements through incentivising local providers to offer responsive and efficient services.

5.4 Ways of Working

The proposals will mark a substantial change in the way the council operates and provides transport services.

6. SIGNIFICANT IMPLICATIONS

6.1 Resource and Performance Implications

The following bullet points set out details of significant implications identified:

- ◆ Proposals would benefit from the sharing of NHS, District and City, and relevant county council transport budgets which will be determined by the respective Partners when they reach a decision whether or not to sign up to the Business Case .
- ◆ Resource has been identified from across the County Council to help support the project.

6.2 Statutory, Risk and Legal Implications

The following bullet points set out details of significant implications identified:

- ◆ A 'Transport for Cambridgeshire' partnership would signal a new approach to shared delivery across sectors and provide a basis for coordinating the pathfinders and sharing resources.
- ◆ The voluntary sector has also been engaged throughout the model's development in addition to neighbouring authorities.
- ◆ The model will encompass the Statutory countywide policies including Special Educational Needs children, looked after children, home to school, concessionary fares and non-emergency passenger transport policies.
- ◆ The model will also cover discretionary countywide policies such as support for community transport, subsidised bus routes and times and any extension to statutory provision.
- ◆ The Model will take into account any eligibility criteria that need to be applied by Partners prior to the allocation of transport.

6.3 Equality and Diversity Implications

- A Key objective for the initiative is to innovate and improve service accessibility however there will be circumstances when this is restricted by the Eligibility Criteria which have to be applied by a partner.

6.4 Engagement and Consultation

The following bullet points set out details of significant implications identified:

- ◆ There will be engagement with service users/patients and communities as part of the ongoing work on a Community Impact Assessment to identify the potential impacts of any changes to our policies, services and functions.
- ◆ The opportunities and potential arising from a new delivery model will also need to be integrated into the wider consultation taking place on potential reductions in bus services.

| Source Documents | Location |
|-------------------------|---|
| Governance Group papers | Dan Clarke Room No:3rd Floor A Wing Castle Court |