

Demand Led Transport

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Project Director: Oliver Asbury (*Chiltern District Council*)

1. Recommendation

That the Board:

- 1.1 Note the progress of the Project to date on Community Transport.
- 1.2 Consider options to develop a capital funding agreement between the 5 Authorities.
- 1.3 Seek to discuss with the PCT how funding may be provided to support hospital and healthcare transport.
- 1.2 That the Board agree the recommendations for progressing the concessionary fares administration strategy.

2. Highlight Report – December 2007

2.1 This Highlight Report provides a summary of the status of the Demand Led Transport Project September to December 2007 and seeks approval to the recommendations set out in this report.

2.2 Project Status – *Community Transport*

Following Joint Improvement Board's approval in September to fund the progress of the community transport project a stakeholder workshop was held on 31 October 2007. The workshop was designed to bring both sectors together and begin open discussion about Dial-a-Ride services in Buckinghamshire. At this workshop Strengths, Weaknesses and Opportunities were discussed.

2.2.1 Key issues identified with the Dial-a-Ride services were:

- Capital and Revenue funding problems
- The image of the service.

2.2.2 Key opportunities identified:

- The option for more advanced/co-ordinated electronic booking systems to help meet growing demand.
- PCT / healthcare involvement in funding the services
- Business sector sponsorship and voluntary sector infrastructure.
- A capital funding agreement between LA's to support the replacement of vehicles.

2.2.3 Key needs identified were:

- A shopping services review (shopping being the biggest trip generator)
- PCT support to the services as around 30% of journeys are to hospitals, GP Surgeries and Dentists.

2.3 This project will now maintain progress with JMP developing a fuller understanding of the service arrangements, talking to funders and Dial-a-Ride operators and reviewing current SLAs to establish opportunities. JMP will also look at Local Accessibility agendas and attend the next meeting in Aylesbury on 19 December.
JMP will be reporting back to operators and the DLTWG on findings and options early in 2008.

3 **Project Status – Concessionary Fares**

At the last DLTWG meeting 15 November 2007 David Ivill of JMP presented the final draft report for approval. In summary this report presents **Considerations** regarding the current and future operational situations, **Consultations** carried out for operator engagement, **Administration Structures** for each District, **Funding Arrangements** (current and future) including risks and uncertainties. The report provides the **Option Appraisal** and **Recommendations** as requested in their brief.

4 **Pathfinder Savings**

- 4.1 Whilst some specific savings may result from the Pathfinder bid, it is difficult to provide an accurate assessment of them at this stage.
- 4.2 The joint procurement of passes means that the four authorities have already benefited from one authority preparing tender documentation, dealing with responses and preparing contracts and agreements. Increased benefits would have been achieved if the four authorities had encouraged even more partners to join them which due to the tight timescales of this round was not possible. Some neighbouring authorities have indicated an interest in joining a joint bureau service in the future which the partnership scheme will consider at a later stage.
- 4.3 The historic cost of administering the individual concessionary fares schemes in the four Buckinghamshire Districts has traditionally been fairly low. Many of the functions have been performed as just a small part of the workload for officers and it is difficult for the authorities to isolate the cost of this activity. Officers are currently developing a figure which can be used with some confidence.
- 4.4 With the inevitable changes resulting from a National Scheme it is likely that more officer time will be required than is currently allocated to concessionary fares. If operators submit one claim to one central authority or agent there will be 18 claims submitted per period rather than 32. Whilst these claims will require subdivision, to take account of each authority, it should be possible for a spreadsheet system to be devised which reduces the duplication of work at individual authorities. This could result in a saving of around 50% on the time required to handle claims. It is more meaningful to consider the potential differences between operating schemes separately or together from 2008, rather than looking at comparisons with the current arrangements. This detail is due to be fully assessed as part of a later business case when reviewing the options recommended in this report for an administration strategy under a partnership scheme administered by one Council.

5 **DfT Funding**

- 5.1 In October 2007 the DfT circulated a consultation document giving details of the potential grant allocation for additional funding from April 2008; this was revised in early November. Four options using different principles to allocate an additional £212M were detailed. These provide significantly different results for the four Buckinghamshire authorities. The difficulties arise in the determination of which option best suits the needs of Buckinghamshire. The four districts support Option 4, which benefits the county as a whole. The following table indicates a summary of the payment options presented by DfT with the highest (option 4) and lowest (option 2)

Potential Additional Funding from April 2008 (figures in £,000)

	OPTION 1	OPTION 2	OPTION 3	OPTION 4	VARIANCE	AVERAGE
Aylesbury Vale	286	223	247	326	103	271
South Bucks	144	190	150	137	53	155
Chiltern	155	137	197	152	60	160
Wycombe	309	202	285	297	107	273
Buckinghamshire	894	752	879	912	160	859

6 Recommended Administrative Strategy

6.1 It is recommended that the authorities in Buckinghamshire adopt the basic principals of option 3 from JMP's report. These options are detailed in **Appendix 1. Table 12 – Option Appraisal – Scheme Administration** and is summarised as follows:

- Partnership scheme administered by one agent/authority, providing first point of contact and administration claims on behalf of all partners.
- Specific boarding stages to be identified to enable appropriate reimbursement
- Individual Districts to be advised of payments and to arrange payment

7 Risk Assessment

7.1 In recent years the issues surrounding concessionary fares have become increasingly complex and there are a number of uncertainties which pose specific risks. In order to manage the impact of these risks it is important to recognise where they exist.

7.2 Working in partnership with a number of authorities may reduce the risk of a dominant operator wielding their authority over a single council; a single council then has to risk the loss of control that may result. Individual Travel Concession Authorities (CTAs) must be aware that they are obliged to ensure that their statutory requirements are fulfilled. The partnership or agent is not ultimately responsible, and there is always a risk that the interests of the individual authorities are not adequately served by a partnership or group.

8 Conclusion

The greatest efficiencies relating to concessionary fares will be gained from being ready for what will be required from April 2008 over what is operated at present.

9 Recommendation**9.1 Community Transport**

It is recommended the Board consider the issues, opportunities and needs of this service and consider options to develop a capital funding agreement between the 5 Authorities and seek to discuss with the PCT how funding maybe provided to support hospital and healthcare transport.

9.2 Concessionary Fares

It is recommended the Board approve the Partnership scheme (option 3) with one Council providing first point of contact for users and operators, and administering claims on behalf of the other Districts, with individual Districts being advised of payments and to either arrange payment based on a monthly agreed payment to the partner/agent or to make the payment to the

operator as notified by the managing partner. Details of all such arrangements are to be worked out and reported to a later JIB.

- 9.3 It is likely implementation of this scheme will require professional support. It is recommended that this be provided by JMP Consulting. Other implementation requirements (IT software, office equipment etc) along with any professional advice will be subject to further assessment, business cases and reports.

Table 12 – Option Appraisal – Scheme Administration (by JMP Consulting)

	Specification of Option:	Requirements from Operators	Implications for Operators	Requirements of District:	Implications for District:
OPTION 1 Buckinghamshire County Scheme	<ul style="list-style-type: none"> One scheme. One administration. Central Pot. Districts contribute according to formula. Payments from centre. 	<ul style="list-style-type: none"> Provide information to ONE agent/authority. Record all journeys boarding in County. Provide associated fares information. 	<ul style="list-style-type: none"> Simple claims records required. County boundary boarding stage information required. One payment received. 	<ul style="list-style-type: none"> Transferred administration. Transferred funding. Agreement on formula arrangements. Confidence in administration. 	<ul style="list-style-type: none"> Loss of control. Transferred responsibility. Retain liability. Shared budgetary uncertainty. Budget risk not locally defined. Risk of formula inequities.
			Cost Implication: <ul style="list-style-type: none"> Low admin cost. Cash-flow relies on 1 payment. 		Cost Implication: <ul style="list-style-type: none"> Transferred admin cost. Danger of simplification. Risk of effective overpayment. Overall shared financial risk.
OPTION 2 Buckinghamshire Partnership Scheme	<ul style="list-style-type: none"> Central partnership scheme. Central administration. Districts billed according to formula. Payments from centre. 	<ul style="list-style-type: none"> Provide information to ONE agent/authority. Record all journeys boarding in County. Provide associated fares information. Provide detailed data on demand to 'advise' formula. 	<ul style="list-style-type: none"> Fairly Simple claims records required. County boundary boarding stage information required. Detailed boarding stage information required on demand (periodic 'snapshot'). One payment received. 	<ul style="list-style-type: none"> Partnership working. Agreement on formula arrangements. Confidence in administration. 	<ul style="list-style-type: none"> Retain element of control. Shared responsibility. Shared budgetary uncertainty. Budget risk not locally defined. Risk of formula inequities
			Cost Implication: <ul style="list-style-type: none"> Fairly low admin cost overall. Detailed data still required. Cash-flow relies on 1 payment. 		Cost Implication: <ul style="list-style-type: none"> Shared admin cost. Danger of simplification. Risk of effective overpayment. Overall shared financial risk.
OPTION 3 Buckinghamshire Partnership Scheme	<ul style="list-style-type: none"> Central partnership scheme Central administration Districts advised of payments according to recorded travel. Payments from districts. 	<ul style="list-style-type: none"> Provide information to ONE agent/authority. Record all journeys boarding in EACH District. Provide associated fares information. 	<ul style="list-style-type: none"> Specific district boarding stage identification required. Vigilance required to ensure stage numbers entered. Multiple payments received. 	<ul style="list-style-type: none"> Partnership working. Confidence in administration. Arrange payments. 	<ul style="list-style-type: none"> Retain element of control. Shared responsibility. Budget linked to local use.
			Cost Implication: <ul style="list-style-type: none"> One claim required. Detailed data required. Cash from separate payments. 		Cost Implication: <ul style="list-style-type: none"> Shared admin cost Regular payments required.
OPTION 4 District Scheme	<ul style="list-style-type: none"> Common principles. Local administration. Payments from districts according to recorded travel. 	<ul style="list-style-type: none"> Provide separate information to each authority. Record all journeys boarding in District. Provide associated fares information. 	<ul style="list-style-type: none"> Specific boarding stage identification required. Vigilance required to ensure stage numbers entered. Multiple payments received. 	<ul style="list-style-type: none"> Administer own scheme. Assess claims. Arrange payments. 	<ul style="list-style-type: none"> Full control. Full responsibility Lone budgetary uncertainty.
			Cost Implication: <ul style="list-style-type: none"> High admin costs. Multiple claims required. Detailed data required. Cash from separate payments. 		Cost Implication: <ul style="list-style-type: none"> High admin cost. Variable payment on demand. Full financial control & Risk.