



Transport and Regeneration

Rivacre Business Centre
Mill Lane
Ellesmere Port
Cheshire CH66 3TL

Greg Yates
County Manager

Wednesday 28th November 2007

Community Transport Strategy for Cheshire

I am delighted to be able to report on the progress that has been made since you kindly took the time to respond to our consultation exercise earlier this year.

With this letter, you will find a copy of the Executive Summary of the Community Transport Strategy for Cheshire, and a document that pulls together all of the responses we received to the consultation exercise.

As you will see, we received a wide range of comments and suggestions, overwhelmingly positive. Some of these are for action at a slightly later date, when we begin to implement the proposed changes. The more general points people have made were taken into account and incorporated wherever practical in the new Community Transport Strategy.

This Strategy has now been formally approved by Cheshire County Council.

I will continue to keep you informed of developments, but do not hesitate to contact me in the meantime, if you wish to raise something that you feel is important.

I will sign off by welcoming a new community transport operator to the county, Ealing Community Transport, and its new PlusBus service, which commenced operation recently and is already very busy.

Yours sincerely

Gerard Rhodes
Principal Transport Officer
Telephone: 01244 973879
E-mail: gerard.rhodes@cheshire.gov.uk

If you have difficulty making contact
please telephone 01244 603218



Community Transport Strategy for Cheshire

1 EXECUTIVE SUMMARY

- 1.1 This report lays down the basis of a Community Transport Strategy for Cheshire. The key objectives of the Strategy can be summarised as generating economies of scale, sharing specialist skills and expertise, whilst maintaining the local identity of CT and dial-a-ride (DAR) services.

Policy context: why a CT Strategy is needed

- 1.2 In the first part of the report, the policy context of the CT review is explained, together with a discussion of what community transport is about and its benefits. Examples are provided, from elsewhere in the country, of the impact of a CT strategy and how CT operators are delivering modernised services.

Demand for CT in Cheshire

- 1.3 The demand for CT and DAR is then explored, attempting to address the question: how much CT do we need in Cheshire?

- 1.4 It is estimated that there may be as much as four to five times as much demand for DAR type services in the county as are currently being provided.

CT in Cheshire today: a review

- 1.5 A business review and appraisal has been conducted at the four largest CT operators in the county: Community Transport Macclesfield Borough; Crewe, Nantwich and Congleton Dial-a-Ride; Ellesmere Port and Neston Community Transport; and Vale Royal Dial-a-Ride, a section of Community Partners.

- 1.6 There is no desire or necessity to 'throw out the baby with the bath-water'. The review has found that CT providers in Cheshire are delivering their transport services to a reasonable quality level that is appreciated by their passengers. However, they need to adopt a more dynamic and entrepreneurial approach to providing services in order to introduce the necessary improvements being sought. Cheshire's CT and DAR operators need to upgrade and update their organisations if they are to be able to function effectively and cope with the changes ahead. Fortunately, there is support available for actions to modernise existing CT providers, some of which have already started to be implemented.

Changes ahead

- 1.7 The demographic make-up of the county is changing, with more people living longer and requiring greater volumes of specialist passenger transport in order that they can remain living independently for as long as they wish. At the same time, other socially excluded individuals also need demand responsive transport, including young people without access to a car and no public transport available for their particular journeys.

1.8 There are changes in the financial environment in which assisted travel and passenger transport in general is provided, with a cocktail of budgetary pressures, a service sector inflation rate that is above the national average, and the switch away from grant aid funding to contracts. The expectations of funders and service commissioners are changing, in respect of the professionalism and operational capability of the service providers with whom they enter into contracts for services. Society itself is changing so that it is increasingly difficult to recruit appropriately qualified trustees or directors to serve on the boards of CT organisations.

Consultation exercise

1.9 A number of options were identified for the organisation and delivery of CT in Cheshire in the future and these have been extensively consulted upon in an exercise that concluded on 7 September 2007. Doing nothing was not an option in this instance, as the funders have already decided that CT and DAR services must be modernised. The options considered were as follows:

- **Merger:** all the DARs and CTs are currently quite modest in scale, so perhaps they could merge to form larger more effective set-ups?
- **Significant and rapid expansion:** can each DAR or CT operator spread its overheads over more activity, by significantly expanding and diversifying? This would imply tendering for assisted travel contracts from the county council, the NHS and other agencies.
- **Refresh the funding arrangements:** can significant improvements in performance be obtained by negotiation between the funders and CTs to create improved ways of grant aiding or contracting for CT?
- **Tendering process:** should all DAR and CT work currently procured through grants be put out to tender, after a suitable period of notice to enable all bidders to prepare for the new arrangements? This option contains the possibility that the CT sector may not win all, or even any, of the work.
- **Umbrella body:** can the funders procure at least the vast majority of regular CT activity in the county through one contract, with an umbrella CT body? This could be:
 - ◆ a body created and owned by the existing CT operators;
 - ◆ a body formed out of a merger of the existing CT operators;
 - ◆ a new organisation altogether, perhaps a Community Interest Company, that is formed by a third party not currently involved with the existing CT operators, with whom it has service delivery agreements or contractual arrangements;
 - ◆ a new organisation that also operates the CT services in-house, leaving the existing CT operators to continue with those services they wish to provide that are not being funded by local government.

- **Fleet management changes:** can the DAR fleet be provided more effectively? This might be achieved by CCC operating all existing DAR services in-house, through to greater integrated use of CCC resources but retaining external CT operators.

Community Transport Strategy for Cheshire 2007

- 1.10 It is proposed that the “umbrella concept” should be adopted. The precise format and procurement arrangements will require detailed discussion and further consultation with key stakeholders.
- 1.11 It is further proposed that this should proceed on a county-wide basis, whilst having regard to the outcome of the current Local Government Reorganisation process.
- 1.12 The major risk envisaged is that the result might lead to higher prices, because the successful tenderer(s) are likely to include all costs and risks in their bids. Currently, some of these risks are – in effect – being shouldered by the County Council. It is expected, however, that this risk will be contained and mitigated by three key factors:
- The scale of efficiencies arising from a more coordinated and collaborative approach to CT provision;
 - The ability of a modernised CT sector to operate successfully using social enterprise principles, to produce self-generated revenue that is currently not available to it.
 - For the third sector (with support from the County Council) to identify short-term external funding opportunities to meet the costs incurred when establishing a more substantial and sustainable work base for CT in Cheshire, capable of diversification and able to respond to procurement opportunities.



EXECUTIVE SUMMARY OF THE CONSULTATION EXERCISE ON THE DRAFT COMMUNITY TRANSPORT STRATEGY

1 BACKGROUND INFORMATION

1.1 A draft community transport strategy (CTS) was produced by Cheshire County Council in June 2007, providing a framework for the future provision of community transport services in Cheshire. The strategy recognizes potential benefits deliverable to service users through strengthening economies of scale, collaboration to share expertise and specialist skills whilst maintaining and developing local identity and focus of these services.

1.2 Discussion of the key opportunities and issues had been shared with key stakeholders for a period exceeding twelve months, which were subsequently applied to inform the content and proposals within the draft CTS. To provide an opportunity for wider consideration of these and other issues, an extensive consultation exercise on the draft CTS was introduced in June 2007, continuing to 7th September 2007.

1.3 The draft CTS contained a questionnaire to help encourage stakeholders to comment on numerous specific themes. The consultation document was made available electronically and in hard copy forms, and five consultation forums were held at locations across Cheshire, enabling face to face consultation and discussion.

2 RESPONSES TO THE CONSULTATION EXERCISE

2.1 Cheshire County Council is grateful to all the organisations and individuals that responded to the consultation exercise, making a great contribution to this important work. A total of 77 written responses were received, reflecting strong interest and support for ensuring that community transport (CT) builds on its numerous current strengths in Cheshire. It is particularly pleasing that 46% of these responses were either users, potential users or their representatives, given that these are the people CT and other passenger transport services are provided for. Also relating to that theme, it is noteworthy that 94% of respondents considered that the CTS would benefit passengers.

2.2 The main key issues and recurring themes from respondents to the consultation exercise are summarised as follows:

A Variable procedures and coverage of current CT service provision across the county needs to be addressed, towards providing greater consistency of service provision linked to size of communities, recognizing the distinct issues associated with serving rural or urban areas. It is important that services reflect actual needs rather than being constrained to operate within certain localities, such as borough council areas.

- B The CTS is generally well supported, including from current service providers. It is particularly important to ensure that an emphasis on a local focus on service delivery is maintained and that implementation of the strategy ensures that the need to improve economies of scale is not achieved at the cost of this.
- C The importance of achieving greater joint commissioning of specialist passenger transport services is recognized, to improve efficiencies and help meet service user needs. It is therefore important to develop meaningful two way dialogue with those working in adult social care and the National Health Service to take advantage of the potential role of CT and other transport services to aid independent living and preventative health care opportunities
- D To improve coordination and integration of CT with other public transport services, helping to make these services available to more people, but ensuring that the needs and requirements of all service users are maintained.
- E To improve availability of service information.
- F Cheshire County Council needs to ensure that the CTS, Accessibility Strategy and its Third Sector Strategy are all mutually supportive and consistent with each other.
- G Many issues were commented upon relating to more specific aspects of community transport services.
- H The CTS needs to help address social inclusion needs of minority groups in addition to those who are elderly or disabled.

3 FINAL COMMUNITY TRANSPORT STRATEGY

- 3.1 An executive summary of the final CTS will be provided to respondents of the consultation exercise.
- 3.2 Implementation of the CTS will be undertaken with further liaison with service providers, service user representatives and other stakeholder representatives.

September 2007