Northamptonshire
County Council

CABINET

14 JUNE 2016

CORPORATE DIRECTOR FOR PLACE COMMISSIONING:
TONY CIABURRO

CABINET MEMBER WITH RESPONSIBILITY FOR TRANSPORT, HIGHWAYS & THE ENVIRONMENT: COUNCILLOR IAN MORRIS

Subject:	Network Northamptonshire – Total Transport Project Progress Report
Recommendations:	That Cabinet: 1. Note the progress made with the Total Transport project to date. 2. Agree the proposal to develop a Business Case to determine whether the social enterprise model outlined in section 6 of this report is a viable proposition for Northamptonshire and report the outcome back to Cabinet for further consideration.

1. Purpose of Report

1.1 The purpose of this report is to update Cabinet on progress with the Total Transport Pilot project to develop a Social Enterprise model for integrated transport provision, including the various demonstration workstreams and to agree to develop a business case for a social enterprise.

2. How this decision contributes to the Council Plan

The Council's vision is to make Northamptonshire a great place to live and work. This is achieved through increasing the wellbeing of your county's communities and/or safeguarding the county's communities.

This initiative specifically delivers increased wellbeing by:
• Contributing to creating safer communities • Contributing to creating healthy communities • Contributing to creating prosperous communities • Providing choice and self-service • Getting people involved.
And Through:
• Exploitation of Technology • Intelligence Led Services • Next Generation Working • Ambitious Partnerships • Commissioning and Market Developments

3. Background

3.1 Public road passenger transport is fundamental to the sustainability and independence of communities because it provides people with access to public services, healthcare, employment, education and training. Inadequate transport provision can be a barrier to the well-being and prosperity of all. Local public sector organisations such as local authorities and clinical commissioning groups play a vital role in providing transport services to meet this need.

3.2 Around £2 billion of public funding for transport services is currently provided each year by a number of agencies. For example:

- Local bus services support – (£350m pa) provided by the Department for Communities and Local Government (DCLG) for local authority support of socially necessary bus services.

- Home to school Transport (£1bn pa) – provided to local authorities by DCLG.

- Non-emergency patient transport (£150m pa) – provided by the NHS to individual local Clinical Commissioning Groups.

However, this funding is not in general co-ordinated or integrated at a local level, resulting in the likelihood of duplication and potential wastage of public funding.

3.3 In January 2015 the Government announced a new £4 million Total Transport Pilot Fund to which local authorities in England could bid for resources to implement a cross-sector approach to the delivery of supported public road passenger transport services in their area. Its purpose is to integrate transport services currently commissioned by different central and local government agencies and provided by different operators. This will allow existing resources to be allocated and co-ordinated more efficiently, resulting in services to passengers that are more effective at meeting their needs.

3.4 This Government initiative matched closely with proposals which had already been agreed by Cabinet in December 2014 to develop an integrated transport model to deliver statutory and non-statutory transport services in Northamptonshire through a social enterprise model. The County Council, therefore, made a bid for the available funding, jointly with Buckinghamshire County Council, and received £750,000 funding for the two-year period March 2015 to March 2017. This was the largest award made from the fund to any project in the country.

3.5 Cabinet agreed in November 2015 to the development of twelve key workstreams to take the project forward, as described in the next section.

4. Progress in project key work streams

4.1 Work done during the period June – December 2015 focused on identifying those organisations that currently commission transport using public money and mapping the postcodes of journeys procured by those organisations in order to identify the match between existing multi-modal transportation options (e.g. bus routes, e-bikes, ride share etc.) against potential demand, and thereby identify the need for future innovative transportation solutions required to match demands which could otherwise not be met.

4.2 Progress with the twelve detailed workstreams agreed by Cabinet in November 2015 has been as follows:

4.3 *NHS*

4.3.1 **Workstream:** To explore the walk-on/walk-off patients currently using non-emergency Patient Transport Services transport especially renal/dialysis patient capacity.

Output - This has highlighted potential synergies with renal patient transport and NCC commissioned and fleet services.

4.3.2 **Workstream:** To explore the possibility of merging spare County Council contracted/Special Educational Needs transport capacity with non-emergency demands.

Output: This had highlighted potential links to renal services in the county as well as GP Surgery and other health-related appointments.

4.3.3 **Workstream:** To explore the synergies between Northampton town centre-based NHS, University of Northampton and County Council staff mobility demands.

Output: Given the current relocation of County Hall and University sites the project is supporting the travel plan development for both sites alongside that of the Northampton General Hospital. This includes mapping of all the staff travel patterns against current transport provision.

4.4 *University/Further Education Colleges*

4.4.1 **Workstream:** To explore current University student and staff travel patterns and possible extension of services. Also possible merger of contracts with Moulton College and Northampton College.

Output: The project is working closely with the University of Northampton /UNO Bus (Northampton) company to ensure maximum fleet utilisation with current and new routes. UNO Bus is also launching a new mobile phone ticket 'app' to facilitate improvements in boarding times and punctuality.

4.4.2 **Workstream:** To look to increase the more sustainable modes within the University campus, eg electric cars/bikes, car clubs, mobile phone bus tickets, car sharing etc.

Output: Several different providers are now engaged on both existing University sites in order to establish more sustainable modes for the new University of Northampton campus.

4.5 *Schools*

4.5.1 **Workstream:** To look to identify two academy/secondary schools within reasonable travel distance of each other and develop a potential travel cost saving programme for September 2016, by adjusting start times and amalgamating transport need.

Output: Two schools have been identified and a desk-top exercise is being undertaken to identify any possible savings.

4.5.2 **Workstream:** Or, alternatively, to focus on a similar desktop exercise using the new school currently planned for Barrack Road.

Output: The Total Transport project team is working closely with the NCC Smart Corridor programme in the Kingsthorpe corridor. As the new school feeds into the corridor this will be one of the areas under further investigation. The Total Transport project is also developing a new 'interactive' platform for a transport 'app' which has the capacity to build a profile of the user and offer incentives/alternatives/rewards to 'nudge' the user into more sustainable travel modes. This will be piloted as part of the Kingsthorpe smart corridor programme.

4.6 *Business*

4.6.1 **Workstream:** To undertake a desktop exercise to develop more effective links into the proposed new business park at Daventry International Rail Freight Terminal by the end of project (March 2017).

Output- considerable data has already been collected in order to complete the desktop exercise which will help to inform the possible business objectives for the social enterprise in both the medium and long term.

4.6.2 **Workstream:** To work with actual business on the Brackmills and Pineham business parks in order to develop more effective transport links to the sites.

Output: Good links have been made with the key businesses on both parks. Key travel data is being exchanged, including staff travel patterns, which will be used to identify synergies with current and future transport provision via the social enterprise model.

4.7 *England's Economic Heartland Strategic Alliance*

4.7.1 **Workstream:** To work with the Strategic Alliance partners to share good practice and develop alternative demonstration projects.

Output: Buckinghamshire County Council are now engaged in the programme and are undertaking a rural transport review project which is feeding into the overall data set alongside the Network Northamptonshire workstreams. Further dialogue with other potential partners in the new geography is still ongoing.

4.8 *Social Enterprise Model*

4.8.1 **Workstream:** To look to develop a social enterprise partnership model between the County Council and the Universities of Northampton and Hertfordshire. This could be further supported by Social Enterprise bodies outside of the proposed group.

Output: The extensive analytical activity undertaken for the project has, as anticipated, highlighted the lack of active cooperation and coordination between Northamptonshire-based organisations commissioning transport.   It is evident that there is a significant and immediate opportunity for a new organisation to provide county-wide data gathering and analysis, and to use the information (on an almost live proactive basis) to procure transport on-demand in a collaborative, intelligent and integrated manner. Such a new organisation, if effectively set up and operated, making use of modern digital technology, could result in more customer-centric, efficient transport with less requirement for public funding.

4.9 **EU Links**

4.9.1 **Workstream:** To develop further a number of potential EU research strands that have already been identified from the Horizon 2020 & InnovateUK Transport options.

Output: The Total Transport project work has already triggered considerable interest across the UK as the Network Northamptonshire Total Transport funding allocation is not only the largest across the country, but it is the only project developing a social enterprise model. International interest has also been evident following the presentation of papers at the Intelligent Transport Systems World Congress in Bordeaux (October 2015) and the Transport for Smart Cities Conference in Brussels (January 2016). Following on from this interest, seven EU bids are being investigated jointly by the Universities of Hertfordshire and Northampton. Furthermore, it is hoped that this initiative may open up opportunities for research grants and EU partnerships to help further support the programme beyond the March 2017 end date.

5.   Proposal for the new integrated transport social enterprise venture

5.1 From the outputs of the work to date, it is clear that Northamptonshire would benefit from a new integrated commissioning entity to assist the Council to deliver the goals of the existing commissioners. This entity would be able to gather, analyse and use data from a variety of sources to develop an intelligent integrated commissioner and procurer of asset management. It will be capable of measuring and reporting social impact. It is anticipated that this new entity may be established as some form of social enterprise.

5.2 The new social enterprise must meet a number of essential requirements:

- It must demonstrate to public sector organisations that statutory obligations are met.
- It must provide local authorities with ways of ensuring democratic accountability can be demonstrated, and the risk of challenge can be managed.
- It must be attractive for existing, and new, transport commission organisations to join. Some form of joint ownership will be required. Organisations should be able to join the venture on an on-going basis or to contract with it to deliver required transport outcomes.
- It must result in increased passenger journeys for less money; each commissioner must be assured that they are spending less and less money to deliver more and more passenger journeys.

- It must be able to work with transport providers of very different size, motivation, and culture by providing them with attractive contracts delivered in new, partnership-centred ways.
- It must be able to lead on the introduction and use of digital technology.
- It must have an income stream to enable the venture to be sustainable . Any profits may be reinvested in core transport solutions and allied social impact.
- It should be staffed by experts in transportation and logistics, able to take advantage of the skills and expertise of a wide range of resources and providers. These staff should have the responsibility and autonomy of being radical providers of transport solutions, of all types. These staff would not necessarily have to be recruited from existing commissioner organisations but could be drawn from a wider pool of experts
- It must draw on investment from other sources e.g. EU research programmes, individual entrepreneurs/investors.
- It must develop a series of key Performance indicators that all transport providers could align themselves to if they were to be part of the social enterprise model for the County.
- It should not restrict competition, both to ensure compliance with appropriate legislation and to secure best value for money.

5.3 There are various legal forms the social enterprise could take. Determining the most appropriate form will involve:

- Identifying initial and future partners.

- Examination of the potential income and cost streams.

- Identification of trading aspirations.

- Identification of contractual strategy.

- Identification of procurement strategy.

- Identification of a tax minimisation strategy.

6. Current Progress and Next Steps

6.1 The proposal for a social enterprise was considered by the Network Northamptonshire Governance Board (consisting of senior representatives of the project partners) in April and agreed in principle.

6.2 The next step is to develop a business case to establish the viability of the proposals.

6.3 The business case will need to consider a wide range of issues including:

- Exactly which existing functions of the County Council and other project partners would be performed by the new social enterprise
- The extent to which the County Council and other project partners would need to retain a residual involvement (eg policy-setting or commissioning) in order to maintain their statutory duties and responsibilities.
- The arrangements for risk, cost and democratic accountability

- The staff skills and experience which the organisation will require, and the extent to which existing staff will be transferred under the TUPE regulations from partner organisations, or new staff will need to be recruited.
- Outline an operating budget for the new organisation, and how this will be funded.
- Arrangements for novation and/or termination of any existing contracts relating to these services, including any impacts on the County Council's Highway Service Contract with KierWSP.
- An implementation plan for the roll-out of the new social enterprise.

6.4 Alongside the development of the business case, it will be necessary to establish which of the key partners wish to be part of the initial social enterprise. Consideration will also be given and legal advice will be sought as whether one or more operators can act as key transport provider(s) for the project, and to what extent they can directly participate in the social enterprise.

6.5 A further report, including the outcomes of the business case and these other considerations, will be brought to Cabinet later this year.

7. Consultation and Scrutiny

7.1 As noted above, extensive consultation with and involvement of a wide range of partner organisations is a key element of the project. Since its launch in June 2015, the project team has already engaged with:

- A number of commercial bus operators and other transport providers eg voluntary and community car schemes, taxis, in-house vehicle fleets
- Buckinghamshire and Oxfordshire County Councils
- Large schools and Further Education establishments e.g. Moulton and Northampton Colleges
- Universities of Northampton and Hertfordshire
- NHS hospitals and Trusts e.g. Kettering General Hospital, Northampton General Hospital
- Clinical Commissioning Group (CCG)
- Campaign for Better Transport
- Chartered Institution of Highways and Transportation

7.2 The experiences of the Northamptonshire project are also been shared with other similar projects through regional and national forums for Total Transport Projects

8. Equality Screening

8.1 An Equality Impact Assessment was undertaken alongside the previous cabinet report in November 2015. This highlighted that any impacts on particular groups would be determined as the project progresses. This will form part of the business case which is to be prepared.

8.2 The Equality Impact Assessment can be found here:

http://www.northamptonshire.gov.uk/en/councilservices/Council/equalities/Pages/egceia.aspx

9. Financial Implications

9.1 The current project is fully funded from the Government grant of £750,000. It is anticipated that implementation of the project will generate future savings in the revenue budgets of County Council and other transport providers. More detailed consideration of the costs and savings deriving from the social enterprise model will be included in the detailed Business Case. The funding for the development of the detailed business case will be found from the County Council's Transformation Fund and is expected to be in the region of £50,000.

10. Risk and Business Continuity Management

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
Uncertain outcomes of approach proposed	Demonstration projects proposed to reduce risks while learning lessons	**Amber**
Institutional barriers prevent successful joint working	Partnership approach Sharing knowledge/experience with other Total Transport projects	**Amber**

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
County Council has to fund development of Social Innovation Model from own resources	**Red**
NCC does not benefit from wider experiences of project partners	**Amber**

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Background Papers:	Cabinet Report 9 December 2014, Agenda No 11 – Integrated Transport Model Cabinet Report Cabinet Report 10 November 2015, Agenda No 12 – Network Northamptonshire – Total Transport progress Report
Does the report propose a key decision is taken?	YES
If yes, is the decision in the Forward Plan?	YES
Will further decisions be required? If so, please outline the timetable here	To bring to Cabinet the full business plan for agreement to establish and implement the social enterprise model – November 2016
Does the report include delegated decisions? If so, please outline the timetable here	NO

Is this report proposing an amendment to the budget and/or policy framework?	NO
Have the financial implications been cleared by the Strategic Finance Manager (SFM)?	YES Name of SFM: Rosemary Pallot
Have any capital spend implications been cleared by the Capital Investment Board (CIB)	N/A
Has the report been cleared by the relevant Director?	YES Name of Director: Tony Ciaburro
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Councillor Ian Morris
Has the relevant scrutiny committee been consulted?	NO Scrutiny Committee: Environment, Development and Transport
Has the report been cleared by Legal Services?	YES Name of solicitor: Debbie Carter-Hughes
	Solicitor's comments:
Have any communications issues been cleared by Communications and Marketing?	YES Name of officer: Simon Deacon
Have any property issues been cleared by Property and Asset Management?	N/A
Are there any community safety implications?	None apparent at this stage.
Are there any environmental implications:	None apparent at this stage
Are there any Health & Safety Implications:	NO
Are there any Human Resources Implications:	NO. Not at this stage. However, it is likely that there will be TUPE implications to consider as the delivery model is formulated.
Are there any human rights implications:	NO
Constituency Interest:	Countywide