

**19 March 2015****Agenda Item: 4****REPORT OF THE SERVICE DIRECTOR, TRANSPORT, PROPERTY &  
ENVIRONMENT****TRANSPORT & TRAVEL SERVICES (TTS): POTENTIAL FOR SHARED  
PUBLIC TRANSPORT SERVICES PROVISION WITH THE CITY COUNCIL****Purpose of the Report**

1. To inform the Committee of a study jointly commissioned by Nottinghamshire County Council and Nottingham City Council into the potential for shared services provision for public transport functions.
2. To seek approval for the creation of a temporary Project Officer post, jointly funded by both authorities to manage and develop the shared services project from April 2015 to March 2016.

**Information and Advice**

3. The Redefining Your Council strategy is a new approach to make sure the Council can deliver the Strategic Plan. The strategy requires a fundamental review of services and the best model for delivery to ensure frontline services are safeguarded. The Transformation Programme identified transport as an area for review and the work undertaken in this review will determine the best delivery model in order to achieve value for money. This is an ideal opportunity to showcase the best delivery model to provide better services also providing a platform to collaborate with other partner organisations.
4. By way of background, in October 2014 the County Council and the City Council jointly commissioned *itp* consultants to consider the potential for shared services, with a particular focus on the following:
  - (i) How a shared service can deliver the current level of service for both Councils with fewer staff or a better level of service with the same staff?
  - (ii) How joint procurement can deliver efficiencies through economies of scale?
  - (iii) How a shared back office can deliver cost savings?
  - (iv) If significant benefits are identified what is the best model and appropriate governance arrangements for shared services.
5. The delivery of the following public transport functions were considered as part of the study commissioned from *itp*:
  - Public Transport Policy
  - Independent Travel Training
  - External funding bids
  - Fares and ticketing (including smart ticketing)
  - Transport facilities management

- Transport information and bus service registrations
  - Bus quality partnerships
  - Concessionary fare scheme management
  - Business travel administration
  - Passenger transport technology development
6. Local bus service management and commissioning functions was not considered in this review as the outcome of other 'option for change' work streams will determine the shape of this provision later in 2015/16. This will therefore be considered in the second phase of shared service provision, which will also encompass changes arising from a Combined Authority and devolution powers for the N2 area.

### **Shared Service Report Findings**

7. The report (an executive summary is attached as Appendix A) established that the County and City staffing and delivery structures are very different and therefore quite difficult to compare like for like without far deeper analysis.
8. That shared services for some functions can mean the work is additional to existing provision e.g. for information and concessionary fare administration and therefore restricts opportunities for staffing efficiencies and savings but further work would need to be done to streamline it.
9. There is clear potential for shared service provision for the development of integrated and smart ticketing in the County. This would bring immediate benefits and savings.
10. That there is potential for shared services for all other key functions in paragraph 5 to deliver efficiencies and savings and better outcomes for public transport users in the County and City and that officers should commence work on delivery through shadowing and/or co-location.
11. There are further opportunities for shared service provision in commissioning and procurement to realise economies of scale and buying power as well as shared back office systems to reduce on-going costs.

### **Report Recommendations**

12. The report recommends a phased approach as follows:

#### **Phase 1: Now to April 2016**

- County and City to provide a dedicated post to manage the development of the shared services opportunities. This may lead to the formation of a fully Integrated Public Transport Unit provided under a partnership agreement. Further reports are to be submitted to the Committee at key stages of the project in this regard.
- To introduce shadow-working to inform the shared services development, deliver immediate efficiencies, build trust and form closer working relationships in preparation for potential integration.

#### **Phase 2: April 2016 onwards**

- Explore the potential for the inclusion of local bus services in the shared service provision.

### **Phase 3: Ongoing**

- Further development will be determined by the Combined Authority and Devolution discussions between the County and the City (N2). A full project plan will be developed to establish the actual timeline, project outcomes and benefits

13. The Senior Leadership at the City Council (Members and Officers) have discussed the potential outcomes of this report including the possibility of a fully Integrated Public Transport Unit and have given their full support to the shared services agenda and proposals contained in this report to take the initiative forward.

### **Proposals**

14. The City Council Head of Transport Services is being seconded to the Department for Transport (DfT) for a year to work on future bus policy. It is proposed that a dedicated Project Officer post, jointly-funded by both Councils manages the development of shared services with a view towards shared service provision in April 2016, which aligns with other possible changes across the County and City Councils. The work will be undertaken from April 2015 to March 2016 and be led by the TTS Team Manager for Commissioning & Policy who will also jointly manage both the County and City Council teams whilst the Head of Transport is seconded to the DfT.

15. The proposal for a jointly-funded post ensures that the development of shared services is balanced and would ensure the best outcome for both the City and County to maximise efficiencies and savings in service provision. It will help both Councils to meet their required budget savings commitments and minimise the impact of budget reductions on the travelling public and service delivery.

16. It is proposed that shadow working in the areas identified below as quick wins commences after Committee approval as follows:

- Integrated ticketing to utilise City expertise to support the critical phase of smartcard and ticketing developments in Mansfield
- Independent Travel Training (ITT)
- Back office systems: information, data and asset management
- Concessionary Travel Scheme Management

### **Other Options Considered**

17. To do nothing and continue with the current separate arrangements will not realise the potential for efficiencies, saving and better outcomes for public transport users.

### **Environment and Sustainability**

18. Public transport is key to congestion management; a reduction in car use improves air quality and reduces CO2 emissions.

### **Statutory and Policy Implications**

19. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are

material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Financial Implications**

20. The cost for the Shared Services Project Officer (£33,326) will be jointly-funded with the City, 50% of which will fall on the County Council and this is to be funded from existing budgets for Transport & Travel Services.

### **Implications for Service Users**

21. Public transport helps tackle congestion and improve accessibility to employment, training, health and other key facilities. Improvements in service delivery, such as integrated ticketing will improve the public transport offer for users.

### **Human Resource Implications**

22. The Project Officer post is for a 12 month temporary appointment commencing in April 2015. The TTS Team Manager's post will be reassessed to determine the grade for the extended responsibilities.

## **RECOMMENDATION/S**

- 1) Note the recommendations of the Shared Services report.
- 2) Approve the jointly-funded 12 month temporary Project Officer post for the Shared Services Project.

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**For any enquiries about this report please contact:**  
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### **Constitutional Comments (SLB 26/02/2015)**

23. Transport and Highways Committee is the appropriate body to consider the content of this report. Changes to staffing structures are subject to the Council's Employment Procedure Rules.

### **Financial Comments (TMR 26/02/2015)**

24. The financial implications are set out in paragraph 20.

### **HR Comments (JP 10/03/15)**

25. The HR implications are contained in the body of the report.

## **Background Papers**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Integrated Ticketing Plan - Transport & Highway Committee 11 September 2014
- Review of the potential for improved efficiency through shared services in the areas of passenger transport infrastructure, promotion and concessionary travel – final report.

## **Electoral Divisions and Members Affected**

All