

LONDON BOROUGH OF LEWISHAM COUNCIL

TRAVEL & TRANSPORT REVIEW

Considerations

- Organisation and structure
- Controlling demand & entitlement
- Efficiency of delivery

Scope

- Home to education travel
- Adult Social Care transport

Outputs

- Operational saving opportunities
- How to control demand
- Future strategy and organisation options

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EXECUTIVE SUMMARY



There is an opportunity to transform the passenger travel & transport service over 3 years through an intensive but low risk programme. This will result in significant savings....

£'000	Year1	Year 2	Year 3
Operational	468	982	1,384
Demand reduction	129	457	626
Total	597	1,439	2,010

Cumulative savings

Operational

1. Ignite & re-procure contracted provision , increase competition with reverse auction
2. Integrate transport provision and conduct full re-routing overhaul – focus on utilisation of LPS
3. Reduction of escorts, and routing made as effective as possible

Demand management

1. Focus on journeys under 1 mile & convert to walking where possible
2. Re-assessment of all non-statutory by distance
3. Focus on independent travel training
4. Consider charging for adult passengers
5. Consider policy for post 16/19 transport

FINANCIAL POSITION



Budget 17/18	‘£000
LPS	3,900
LPS depreciation*	317
TCT team	200
Private hire (including DP's)	1,200
Total	5,617

Real cost assessment	‘£000
LPS	3,900
LPS depreciation	317
TCT team	200
Private hire (including DP's)	3,897
Total	8,314

1. Actuals in 17/18 are still only estimated by financial team and therefore not presented
2. Real cost assessment is based on actual contracts currently in place for each passenger
3. *Depreciation of vehicles is a corporate budget/cost but has been included above for completeness/transparency
4. No budget or actual for travel training team included in above

Current contracts in place for demand as at November 2018

Private hire assessment	£'000
SEN	2,393
Adult (inc VSL)	1,173
Other (CSC etc.)	280
Total	3,847

TRAVEL & TRANSPORT– SUMMARY BY NUMBERS



729 children and young people (0-25) transported from home to education daily

248 adults to day care 39 by VSL, 70 by LPS and 139 by private hire (not all daily)

49 internal vehicles employing **47** drivers and **56** attendants run by LPS

18 private hire suppliers delivering **121 daily** routes organised by TCT

213 escorts used daily across all services

5 FTE posts management/officer posts in TCT and **7.5** in LPS team

EXPERIENCE OF OUR CORE TEAM MEMBERS . . .



LA	Key Initiatives	£'s saving per year
Enfield Large in-house operation Lots of single person routes Limited suppliers	-Re routing, better use of internal fleet -Re-procurement of private supply – ignite market -Reassessment of existing transport passenger eligibility	£1.8million so far after 2 years
Hillingdon Dis-integrated Poor value from private hire Routing poor	-Re-route including group pick up -Re-procurement exercise including reverse auction -Demand control	£1.5million so far after 1 year
Tri Borough Similar inner London geography	-Managing re-procurement exercise -Re-routing -Policy changes	n/a
Bexley Dis-organised Poor performance visibility	-Re-procurement and routing -Integration of service	Part of a larger value for money partnership saving £5million
Barking & Dagenham Large heavily unionised internal fleet	-Integration -Routing, utilisation and fleet renewal -Re-procurement	£1.4million

ORGANISATION & MANAGEMENT



HEADLINE observations

- Little cost accountability in LPS, all costs recharged 'it costs what it costs'
- Lack of budget ownership in TCT as reporting is poor – budget not known – year to date not known
- Transport as a function does not appear to behave corporately – (the corporate £)
- Management and officer levels are high across 2 teams – duplication in tasks
- Poor 'holistic' approach to best matching demand to the resources available

HEADLINE recommendations

- ✓ Integrate travel teams to operate and route holistically
- ✓ Set team clear budget and targets to drive cost per passenger down, number of passengers down, utilisation of fleet up.
- ✓ Make the joined up service accountable for cost and managing passenger demand
- ✓ Agree resources required, new organisation and clear definition of roles.
- ✓ Consider options to where line reporting of the team belongs

MANAGEMENT & OFFICER RESOURCES ARE ABOVE BENCHMARK AVERAGES. . .

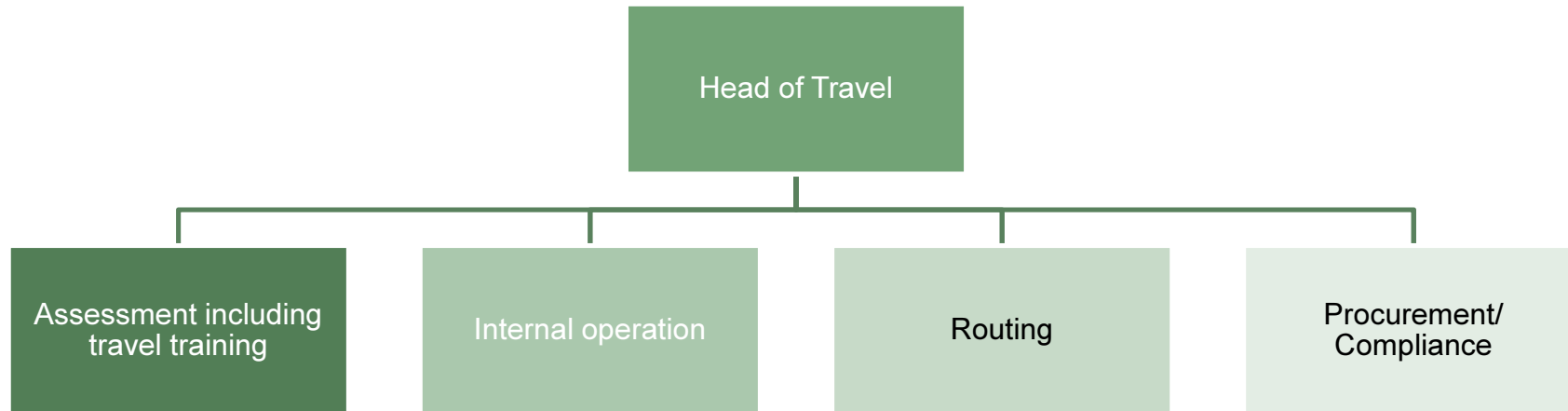


	LBL	Council A	Council B	Council C	Council D	Council E	Basket average
SEN C&YP transported	729	1598	511	686	770	309	
Size of team	12.5	15	6	7	9	5	
C&YP to team ratio	58:1	106:1	85:1	98:1	85:1	61:1	92:1

Case study – LB Enfield

8 staff manage the transport of 650 C&YP & 200 adults per day on private hire and run an internal fleet employing 140 drivers and escorts.

POTENTIAL INTEGRATION – HIGH LEVEL FUNCTIONAL



Recommendation

Develop an organisation structure and refined roles and implement to an appropriate timescale which should be aligned with the capacity and capability provided to deliver the major changes required over the next 3 years.

PRIVATE HIRE RUN BY TCT - INDICATORS



	Good is....	Basket	Lewisham	Assumption/ solutions
C&YP per contracted route	Higher	3.9	2	Conservatively improve to 3 per route through better routing and reduction of single person routes where possible.
Single passenger journeys as % of all journeys	Lower	28%	45%	There are a higher than normal number of locations where one child is transported. All single journeys challenged.
% of total escorts to total C&YP passengers on contracted	Lower	9%	35%	Opportunity to examine risk and improve control and bring to norm levels
Average cost per C&YP (operational)	Lower	£4,100	£7,719	Unlikely to meet benchmark levels but significant improvement possible from all initiatives

Observations

- 1- Low passengers per route/ vehicle
- 2- Single passenger routes are higher than normal as are single person schools/establishments
- 3- High number of escorts
- 4- High cost per CYP passenger, (even for London) and fact journey distances are low (local geography) despite number of out of borough routes being high

PROCUREMENT OF SUPPLY COULD BE IMPROVED



Poor competition;
 18 contractors used. Yet 65 providers listed within 2 miles of Lewisham centre and over 200 within 5 miles.

DPS
 Makes sense but has not been fully developed to generate competition and value

Performance
 No formal processes and records in place to manage suppliers

Value of prices achieved for cars on contracted routes versus standard tariff. . .

Average journey mileage	Average contracted price per journey £ (exc. P.A)	Standard tariff price per journey £	% difference
9.7	71.80	39.40	45%

Contracted prices are 45% more expensive than standard tariff on black cab fares. This is normally more expensive but by only 25% max.

Recommendations

1. Ignite and develop market place to increase competition – allay fears, coach and raise profile
2. Introduce a reverse auction system
3. Implement for September 2019
4. Procure for all routes together (including social care).
5. Focus on contractor performance, record of results.

We anticipate this will deliver at least a 12.5% improvement in value

ROUTING OVERHAUL OPPORTUNITY

Challenges

- I. Routes are not viewed holistically to best meet resources
- II. No software is used (not the complete fix but helps)
- III. Indicators point to big opportunity (routes per school, passengers per route)
- IV. No evidence of recent major overhaul – routes have evolved and drivers in LPS are keen to keep the status quo on their routes and passengers

How?

Bespoke routing software commissioned and implemented supported and refined by local knowledge

Overhaul – start again – big communications exercise

Ensure routes can be delivered so that longest passenger journeys are within 5-10mins of maximum time on transport.

Benefits

Improved LPS utilisation (supported by reduction in fleet size)

Transfer at least 70 more passengers to LPS (internal fleet) from private hire and potentially Lewisham Voluntary Services.

Reduce single journeys and escort requirement in parallel to a review of entitlement and risk

Recommendations

1. Commission routing software to compliment local knowledge
2. Conduct re-route exercise before re-procurement initial phase immediately and 2nd phase before new contracts
3. Move away from door to door concept and examine 'group pick -up' opportunity -providing opportunity to improve utilisation and reduce journey time and mitigate risk of over-runs (late running)

USE OF ESCORTS & SINGLE PASSENGER JOURNEYS ARE HIGH . . .



Observations on escorts

- 79% of all private hire routes have escorts
- LPS use 56 escorts for 40 C&YP routes
- High escort to passenger ratio
- Low risk approach legacy, escorts can be assigned unilaterally by LPS
- No real risk assessment conducted though this is improving
- Opportunity to look back at every route and bring use in line with the expected levels

Single passenger routes

- 45% of all CYP private hire routes are for single passengers (double the benchmark)
- Large driver is single person locations (unusual some of this likely due to lack of in-borough provision)
- No reasons are recorded for assigning a single passenger journey
- History of challenging CYP passengers being re-assigned from LPS to single person private hire

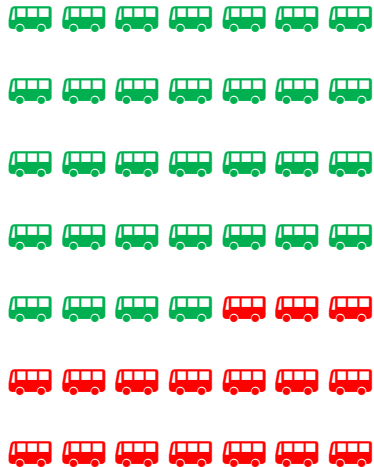
Recommendations

1. Review the full case file of current passengers for escort need and single journey requirement
2. Tighter controls and risk assessment for new demand – record reason (improvements being made)
3. Communication plan and re-education of expectations for parents and schools
4. Examine reasons for placements in one journey schools, ensure not parental preference
5. Examine opportunities to combine CYP travelling to different locations (some work done on this)
6. Develop LPS crews to manage challenging passengers and prevent reassignment to 'single' taxi

LPS FLEET UTILISATION CAN BE IMPROVED



Education routes



Day centre routes



-Pictorial illustration of total seats used of the total capacity – considers reduced capacity due to wheel chairs for education

-Day centre utilisation is not a precise science due to seat configurations and exact timings of bus availability

-Only 60% of education capacity used, expectation that 75% is achieved

-Only 70 day centre adult passengers transported whilst 800 seats available

-Bus departure and arrival time logs not available – useful to adjust routes

Recommendations

1. Increase utilisation of education route seats to 75% through re-route (aided by group pick up and new fleet renewal plan)
2. Examine opportunity to build new LPS education routes where viable (business case for appropriate sized vehicles to accommodate)
3. Transfer at least 70 passengers back from private hire and/or LVS
4. Implement route time measurement/ recording, trackers would assist in this process and aid routing. Recommend a business case for this investment.

LPS FLEET PROPOSAL TO COMPLY WITH LEZ 2020 & MAKE OPERATION VIABLE...



	Current	Provisional internal proposal*	Edge Recommended *
Fleet number	49	50	45
Depreciation	317,000	365,000	328,500
Running cost	3,947,500	3,947,500	3,947,500
Total cost	4,264,500	4,312,500	4,276,000
Passengers per day	530	530	600
Cost per passenger £ p.a.	£8,046	£8,136	£7,126

* New fleet of 17 seat buses

Assumptions

- I. 17 seat buses allow greater flexibility
- II. increase to 75% utilisation for education by using 40x17 seaters
- III. Increase in number of LPS passengers by at least 70
- IV. Less spares required due to new fleet
- V. 10 year depreciation
- VI. Terms and conditions remain same
- VII. Running costs are kept constant

Viability

Current private hire per CYP passenger is £7,719 per annum and this proposal makes LPS more competitive (expected to be higher as lower passenger numbers per route)

Recommendations

1. Renew LPS fleet & retain operation using smaller vehicles. Whilst assumptions are based on 17 seats consideration of a limited mix of size should be considered
2. Increase passenger numbers by at least 70 to make operation viable and save money
3. Use new fleet as an opportunity to overhaul routing of education routes in terms of allocation of passengers and journey planning

IN-HOUSE (LPS) VERSUS PRIVATE HIRE TO PROVIDE 52 WEEK SERVICE



	In-house cost per annum £	Private cost per annum £
Vehicle depreciation	7,300	n/k (likely to be similar pro rata)
Vehicle running cost	9,640	n/k (likely to be similar pro rata)
Driver	37,320	n/k (but half time and no pension)
Escort	28,587	n/k (but half time and no pension)
Overheads	8,560	n/k (including profits)
Total	£91,407	£50,000

Reasons for difference in costs

- Private supplier costs are based on c4 hours per day service and 52 weeks per year (i.e. half time)
- In-house costs based on 8 hours per day availability 52 weeks per year (i.e. fulltime)

Factors influencing recommendation to retain an in-house provision

1. If one LPS internal bus can, in addition to a daily education return run, transport at least 5 adults this will effectively save £35,000-£40,000 per year in private hire costs.
2. The external market place is unlikely to have the required capacity and will require significant development
3. Internal service mitigates risk (e.g. Enfield example, Star Bus going bust)
4. Political and corporate desire to retain in-house service (107 jobs)

DEMAND MANAGEMENT - OBSERVATIONS



There are a number of observations which indicate an opportunity to reduce demand for travel

Controls	Culture & practice	Policy & process
<p>Annual reviews of caseload do not routinely take place.</p> <p>Little evidence of age threshold reviews</p> <p>No on-line application process</p> <p>No deadline for applications</p> <p>Eligibility codes not been kept up to date</p>	<p>Limited consideration of alternative transport methods such as walking</p> <p>Transport offer rather than 'travel assistance' on 5-15 (improving)</p> <p>Parental expectation is high</p> <p>Existing cohort of travellers receive transport that would not today</p> <p>Legacy of 'tick box approach' to entitlement</p>	<p>Policies are robust and at statutory minimum, introducing all forms of travel assistance for 5-15</p> <p>Opportunity to review mileage and contribution levels for 16+ but controls are good against policy</p> <p>Independent travel training is not yet prioritised and is not performance driven.</p> <p>Charge for adult transport – nominal daily fee – many authorities have done this</p>

Conclusion

These headline practices indicates that there is an opportunity to better control demand in terms of new applicants (this part of the process is much improved) and by reviewing those passengers currently receiving transport (there is limited capacity to carry out this task)

DEMAND MANAGEMENT INDICATORS



	Good is....	Expectation	Lewisham	
Number of C&YP under statutory distance – (261)	Lower	12%	34%	Nearly 3 times expectation
C&YP less than 1 mile not in wheelchairs	Lower	n/a	30	Opportunity to consider walking after training
Under distance to Brent Knoll not in wheel chair	Lower	n/a	65	Opportunity to consider walking after training
C&YP coded non statement/ exceptional circumstances (51)	Lower	1%	7%	NB Data not kept correctly but indicates legacy of poor control
C&YP with transport but have a non statement eligibility code (145)	Lower	<5%	20%	As above

DELIVERING DEMAND MANAGEMENT OPPORTUNITY



THEMES

Move more to an offer of travel support not “transport” entitlement

Reset expectations – big communications exercise

Improve robust decision making consistency

Re- assessment of current cohort

Focus on independent travel

Focus on group pick up not D2D

HOW

Re-launch communications plan to schools & parents framing independence as core

Focus on provision of wider travel options

ITT – focus performance/ outputs/ prioritise on age groups

Identify resources to re-assess and action current cohort of passengers

Changes to policy and process

SPECIFICS

Focus re-assessment on <2/3 distance (non distance stat)

Bespoke re-assessment plan for every child – every year

Clear accountability for decisions on escorts and single transport.

Workshops and assessment reviews with schools – communication plan of independence & travel support

Implement deadlines for applications

Consider charging for adult passengers

Recommendations

1. Embark on programme to reset expectation, engage schools and parents and develop independence
2. Members to be bought in and support the aims of the Programme
3. Develop on current good work to improve new applicant control but identify capacity to review and implement new travel support arrangements for existing passengers including robust travel training solution

MAKE INDEPENDENCE A CENTRAL PART OF TRAVEL SOLUTIONS BY TRAINING



Observations

Previous arrangements have not been effective with only c20 children trained per year.

We support the plan to manage this activity in-house with a team of 1 coordinator (working) and 2.5 or 3 trainers.

A target of at least 50 children travel trained per year can be expected.

It is critical that the team supports the training and assessment of new applicants and those receiving transport.

Critical to success;

- I. Bespoke and flexible training plans required to fit with needs of passenger.
- II. Prioritise identification of quick wins.
- III. Support by policy 'if a child is deemed to be trainable then this is the travel offer and no transport will be granted'
- IV. Engagement of schools and parents to support the training effort, resources and backing are critical and require substantial influence and development.
- V. Use of innovative short term and long term solutions such as walking escorts and buddy systems
- VI. Travel training focussed on the benefits to the child/adult and also the cost implication of them remaining on transport.

Recommendations

1. Add drive and performance focus to travel training
2. Work with schools to identify candidates and deliver solutions
3. Make independence central to all travel solutions and change culture across schools and parents
4. Offer service to adult passengers where appropriate

POLICY CHANGE – IDEAS FROM ELSEWHERE



Wording	Example
Post 16 passengers travelling in borough are responsible for their own transport arrangements unless there are exceptional circumstances	Trafford
Meeting SEN criteria for transport support does not mean transport will be provided	Trafford
Transport support for children with a statement of SEN is not an automatic entitlement. Where transport has been agreed, the arrangements in place will be reviewed on a continuing basis and at least once a year	Trafford
It is expected that where independent travel training is offered, a pupil will take up this training and not receive transport from the moment they are assessed as being able to be travel trained.	Many
The Council shall withdraw the provision of free home to school transport where it is considered that a pupil has demonstrated such poor behaviour whilst using transport as to put at risk:	Many
The provision and allocation of escorts will be reviewed annually and at other times throughout the year when the need arises. In all cases the decision to allocate an escort rests with the Local Authority.	Many
In cases where your child cannot travel alone, If you cannot accompany your child to school the council will consider monetary support for you to enable the provision of support.	Bristol & others
Children will be transported in groups and not alone. Unless it is first proven that this is not appropriate.	Sheffield

Recommendation

Whilst policy is very robust consideration of wording will support efforts to re-set expectation bearing in mind the following themes . . .

- 1- Transport is not a right and travel assistance does not mean transport
- 2- Travel assistance does not continue forever
- 3- Travelling independently is an important goal for every passenger
- 4- Between 70-75% of children with a plan do not receive or even apply for transport

KEY PRINCIPLES TO ENSURE SUCCESS. . .

Embark on a 3 year programme

- ✓ Identify leadership & capacity required to deliver and ensure sustainable operation
- ✓ Transformation of LPS and TCT into one integrated service with clear financial and performance accountability for costs & demand
- ✓ Change culture of expectation amongst parents, carers, schools and create an appetite for independence
- ✓ Conduct re-assessment of CYP eligibility linked to wider travel solutions and independence
- ✓ Consider policy changes to support implementation
- ✓ Ignite and procure better value contracted supply
- ✓ Overhaul routing in a holistic fashion
- ✓ Renew the LPS fleet and prioritise its utilisation. Ensure fair and carefully developed transparent charging mechanism to internal services.

Challenges & risks to successful delivery

1. Lack of capacity and clear leadership
2. Lack of expertise in key areas – re-procurement, re-routing, implementing culture
3. Ensuring political support
4. Changing cultural and expectation of parents, schools, suppliers and staff
5. Ensuring programme fits with CYP and Adult service priorities and strategies

ADULT PASSENGER TRAVEL FEEDBACK



Strategy/ priorities	Potential solutions
<p>1-Personalised solutions doesn't always fit with group transport</p>	<p>Travel service to work closely with adult team to identify most appropriate passengers for group transport</p>
<p>2-Commitment to working with voluntary sector i.e. c40 passengers travel by Lewisham Community Transport</p>	<p>Develop a fair charging mechanism to the service that reflects the fact that corporately a solution is cost effective</p>
<p>3-External charges are less – issue with internal charging/ internal mechanism probably not helped by lack of transparency</p>	<p>Provide transparent cost options so that decisions can be made</p>
<p>4-Avoiding risks of delays to adult pick ups imperative not to be second class service to education transport</p>	<p>Routing overhaul to minimise risk of delays to pick up</p> <p>Offer adults travel training service to increase travel options</p>
<p>5- Retain assessment of eligibility</p>	<p>Seek adult service input into fleet specification (may help reduce stigma attached to white logo council minibus)</p> <p>Adult services to retain eligibility and assessment and work with Travel team on best solution and use of travel training</p>

EDGE OUTLINE PROPOSAL TO GUARANTEE DELIVERY OF £2MILLION & REDUCE DEMAND



What Edge will provide....

- I. Leadership for the service (including interim Head of Travel to lead the change)
- II. Low risk - innovative model which guarantees delivery of savings targets – risking our fees on a pound for pound basis for non delivery, guaranteeing you success
- III. Capacity to “do the doing” in key resource hungry tasks
- IV. Expertise and proven success in delivery of key opportunities, influence of stakeholders and performance improvement.
- V. Development and reorganisation of your staff so that the service is sustainable after we have gone

SAVINGS AND IMPLEMENTATION INVESTMENT



£'000	Year 1	Year 2	Year 3	Year 4	Year 5
Baseline	8,314	8,314	8,314	8,314	8,314
Budget	5,612	5,612	5,612	5,612	5,612
Overspend	(2,505)	(1,663)	(1,092)	(692)	(692)
Savings	597	1,439	2,010	2,010	2,010
Fees	400	400	400	0	0
Saving net of fees	197	1,039	1,610	2,010	2,010

Year 1 based on January 2019 commencement of the programme