

# Travel Review Programme

Proposal for EMT (Jan 18)

# Recommendation

The Executive Management Team are recommended to:

1. Agree priorities for a 3-year Travel Review Programme.
2. Agree to bring together the Travel Coordination Team and Lewisham Passenger Service under a new SGM Travel Assistance.
3. Endorse\* proposals to commission external support to bring expertise to the Programme on a payment by results basis.

\*Gateway 1 procurement likely to be a Mayor & Cabinet decision due to contract value.

# Background

- In August 2018, the Lewisham Transport Board agreed with proposals to commission Edge Public Solutions to conduct a comprehensive review of travel assistance services in the London Borough of Lewisham; the review was to cover the following ‘Strategy, Policy and Demand Management’ as well as ‘Passenger Transport Management & Arrangements’.
- The Transport Board’s Operational Group (including membership from Lewisham Passenger Services, SEN, Adults Joint Commissioning Team and TCT) met on 7 November 2018 and had an opportunity to comment on Edge’s presentation. Subsequently, written responses have been submitted and collated for the Board.
- On 22 November 2018, the Transport Board agreed to conduct a holistic Travel Review and agreed key principles which would underpin the Programme.

# Context (Oct 2018)

| Service                                  | Budget (£k)  | Est. Actuals (£k) | Diff. (£k)   |
|--|--------------|-------------------|--------------|
| LPS                                      | 3,900        | 3,900             | 0            |
| LPS depreciation                         | 317          | 317               | 0            |
| TCT team                                 | 200          | 200               | 0            |
| Private Hire (including Direct Payments) | 1,200        | 3,897             | 2,697        |
| <b>Total</b>                             | <b>5,617</b> | <b>8,314</b>      | <b>2,697</b> |

| Travel Arrangements         | CYP        | Community Services | Total      |
|-----------------------------|------------|--------------------|------------|
| Lewisham Passenger Services | 386        | 127                | 513        |
| Private Hire                | 310        | 105                | 415        |
| Direct Payments             | 24         | -                  | 24         |
| Voluntary Sector            | 0          | 39                 | 39         |
| <b>Total Service Users</b>  | <b>720</b> | <b>271</b>         | <b>991</b> |

# Edge Public Solutions Findings

## Headline Observations

- Little cost accountability in Lewisham Passenger Services (LPS), all costs recharged.
- Lack of budget ownership in Travel Coordination Team (TCT).
- 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.

# Priorities

- Reduce the cost of travel arrangements.
- Improve the service provided to Lewisham residents.
- Promote independence amongst young people.
- Maximise value for money achieved from external provision, for example by reducing the number of single passenger journeys.
- Maximise utilisation of the in-house Fleet.

# Key Principles

The Lewisham Transport Board agreed the following 'Key Principles to Ensure Success' which are proposed as key actions for a three year Programme:

- Identify leadership and capacity required to deliver a savings programme and ensure sustainable operation.
- Transform LPS and TCT into one integrated service with clear financial and performance accountability for costs and 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.

# Edge Public Solutions Financial Proposal

| £'000     | Year 1  | Year 2  | Year 3  |
|-----------|---------|---------|---------|
| Baseline  | 8,314   | 8,314   | 8,314   |
| Budget    | 5,612   | 5,612   | 5,612   |
| Overspend | (2,505) | (1,663) | (1,092) |
| Savings   | 597     | 1,439   | 2,010   |

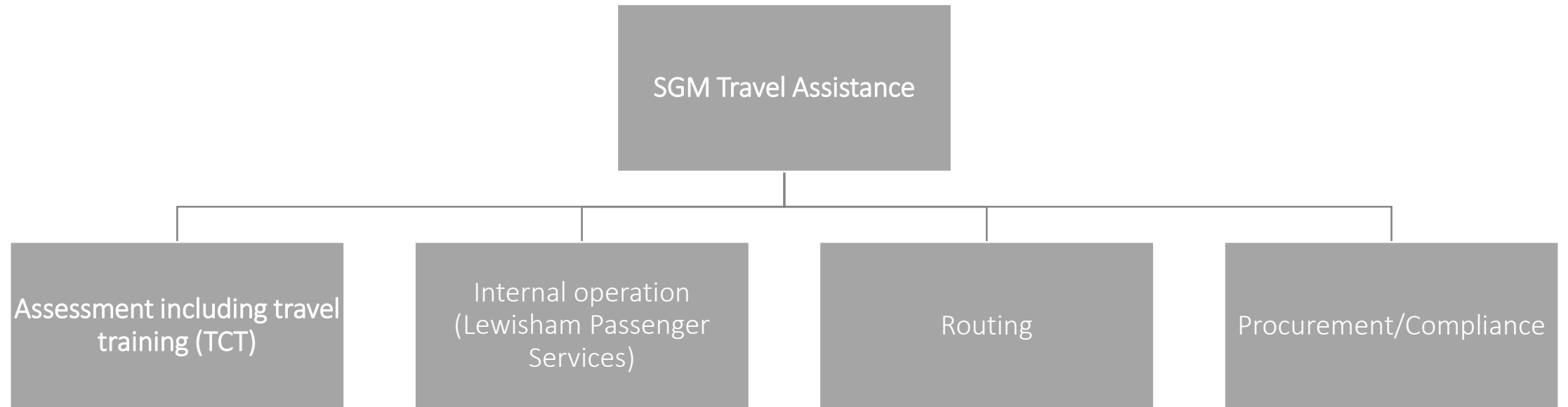
- Edge Public Solutions have identified £2m potential cost reduction to current baseline.
- Savings not attributed to specific initiatives – recognising some will under-deliver and others will over-deliver.
- Edge have estimated that £1.2m investment would be required to successfully deliver the programme.
- Clear success measures are set out overleaf.



# What will success look like?

| Success Measure   | Benchmark | Current | Target |
|---|-----------|---------|--------|
| Increase the average number of CYP per private hire route     | 3.9       | 2       | 3      |
| Reduce the number of single passenger journeys                | 28%       | 45%     | TBC    |
| Reduce the average cost of private hire per CYP               | £4.1k     | £7.7k   | £6.7k  |
| Review the number of CYP who travel with attendants           | 9%        | 35%     | ↓      |
| Review the percentage of CYP below statutory distance         | 12%       | 34%     | ↓      |
| Increase the number of CYP accessing travel training per year | 50        | 22      | 50     |
| Increase the number of LPS passengers per day                 | N/A       | 530     | 600    |
| Reduce the LPS cost per passenger                             | N/A       | £8,046  | £7,126 |

# Functional Structure



# Skills Gap Analysis

| Key Initiatives  | Capacity |      | Expertise |      |
|--|----------|------|-----------|------|
|  | LBL      | Ext. | LBL       | Ext. |
| (1) Integrating provision across TCT which assesses eligibility and organises travel arrangements (private hire and LPS).                          | ✓        | ✓    | ✓         | ✓    |
| (2) Overhauling the routing of all journey's, holistically across the service in a way that best considers the most effective resources available. |          | ✓    |           | ✓    |
| (3) Improving the competition and value achieved from private hire providers.  |          | ✓    |           | ✓    |
| (4) Improving the performance of the teams involved.   | ✓        | ✓    | ✓         | ✓    |
| (5) Increasing the utilisation of the internal fleet.  |          | ✓    | ✓         | ✓    |
| (6) Effecting a widespread cultural change and management of expectations of parents, schools and transport users.                                 |          | ✓    |           | ✓    |
| (7) Reviewing all historic transport arrangements to ensure that all service users require the level of support which they are receiving.          |          | ✓    | ✓         | ✓    |

# Skills Gap Development Plan

| Function  | Offers Capacity | Offers Expertise | Purpose  |
|---|-----------------|------------------|--|
| Identify programme management capacity                            | ✓               |                  | Oversight of the Travel Review Programme.  |
| Identify commissioning support                                    | ✓               | ✓                | Private hire market engagement.  |
| Purchase routing software   |                 | ✓                | External validation and administrative saving.                                   |
| Recruit capacity to unpick all journeys                           | ✓               |                  | Review all LPS and private hire routes and support staff and CYP through change. |
| Recruit experts to conduct engagement work with schools & parents | ✓               | ✓                | Expectation setting and supporting towards independence.                         |
| Recruit capacity to review historic arrangements                  | ✓               |                  | Clear backlog of reassessments of CYP.   |

# Options

1. Travel Service Manager recruited in Environment division to manage TCT and LPS with consultancy support (commissioned support).
2. Travel Service Manager recruited in Environment division to manage TCT and LPS with additional capacity (recruit temporary staffing)
3. Travel Service Manager recruited in Environment division to manage the programme (current internal resources only).
4. Routing function transferred to TCT with LPS remaining in Fleet.
5. Move towards a commissioner-led service: recruit/identify a commissioner ignite private hire market and monitor LPS.

# Option 1: Commissioned Support for SGM Travel Assistance (Recommended)

## Benefits

- Expertise & track record of successful delivery
- Could place financial risk on a provider (PBR options available)
- Retain management of Fleet & TCT, with Lewisham 'figurehead'
- Provider could flex resources based on fluctuating demand throughout the year

## Risk

- Accountability, client & provider (LPS) located in the same place - mitigated through clear targets and governance.
- Separated assessments from SEN team could create friction (SEN case officers will have regular interactions with parents) – mitigated through clear working protocols.
- Appeals sit outside of SEN team – clear policy will be adhered to.
- High cost – max. £1.2m over 3 years.

# Option 2: Recruit Temporary Staffing

## Benefits

- Retain management of Fleet & TCT, with Lewisham 'figurehead'
- Lower costs compared to commissioned solution (SGM, programme management and commissioning expertise approx. £250k)

## Risk

- As Option 1
- Financial risk sits with London Borough of Lewisham.
- Unproven track record of being able to recruit missing expertise.

# Option 3: Existing Resources

## **Benefits**

- Retain management of Fleet & TCT, with Lewisham 'figurehead'.
- Lowest cost compared to commissioned solution (existing resources only).
- Sustainable, expertise developed on the Programme stays within the organisation

## **Risk**

- Organisation does not have capacity and expertise in key areas.



# Option 4: LPS routing to TCT

## Benefits

- Lowest cost compared to commissioned solution (existing resources only).
- Sustainable, expertise developed on the Programme stays within the organisation.

## Risk

- Transferring the oversight without people management, accountability is likely to be ineffective – assumption that LPS remains within Fleet.
- Option doesn't deviate significantly from the status quo, so substantial savings unlikely to be achieved.
- Tensions could be created between clienting service and transport delivery.

# Option 5: Commissioner-led

## Benefits

- Relatively low cost (£75k), however beyond the life of the programme.
- Sustainable, expertise developed on the programme stays within the organisation.

## Risk

- As there is no appetite nor benefit (as identified by Edge Public Solutions review), to develop alternative provision to in-house, commissioner is unlikely to have sufficient flexibility to be effective.
- New revenue pressure, as the role is likely to be required on an ongoing basis.

# Recommendation

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# Next Steps

If EMT agree proposals:

- Transport Board Operational Group to visit other local authorities which have undertaken similar programmes in January 2019.
- Develop structure in Environment division and recruit SGM Travel Assistance.
- SGM Travel Assistance to develop Specification for consultancy support.
- If necessary, Mayor & Cabinet decision in February 2019 to go out to tender for consultancy support.
- Transfer budgets to SGM Travel Assistance for 2019/20.

If EMT do not accept proposals:

- Transport Board will review priorities and return to EMT in February 2019.