



Open Report on behalf of Andy Gutherson, Executive Director - Place

Report to:	Highways and Transport Scrutiny Committee
Date:	29 April 2024
Subject:	Transport Quarter 3 Performance Report 2023/24

Summary:

The purpose of this report is to provide the Committee with a summary of performance for quarter 3 in relation to the Council’s Transport Services including local bus services and Education Travel.

The Council’s integrated service contracts and manages passenger transport on behalf of the Place, Children’s Services and Adult Care Directorates and local bus transport – supported routes, fully funded fixed routes and demand responsive routes using the Callconnect service. Transport Services serves the people of Lincolnshire by enabling them to travel to access their requirements.

As a local transport authority (LTA), the Council has statutory obligations to provide educational travel and social care transport and to secure local bus services where none are provided commercially and which the Council determines socially necessary. Local bus services have been deregulated since the mid -1980s and as such bus companies can operate bus services on a commercial basis.

This report provides an update on the key priorities of Transport Services, which were highlighted in the previous report, including the Educational Travel Transformation Programme.

Actions Required:

The Highways and Transport Scrutiny Committee is requested to consider and comment on the detail of the report and recommend any changes or actions to the Executive Member for Highways, Transport and IT.

1. Background

1.1 Overview of Lincolnshire's Passenger Transport

- 1.1.1 The passenger transport industry continues to face numerous pressures, for both bus and taxi suppliers. Whilst driver availability remains less of an issue, fuel prices have increased.
- 1.1.2 New taxi operators have been accepted onto the Transport Dynamic Purchasing System. No new bus operators have entered the Lincolnshire market. Any operator who meets the threshold is then able to tender for Education Travel and Social Care contracts. We now have a total of 398 operators with whom we contract with through our dynamic purchasing system – an increase of 23 taxi operators since the previous quarter.
- 1.1.3 This quarter the Educational Travel team have started to prepare for the new intake for September 2024 and the tendering activity for new contracts commencing April 24 has been completed with a number of contracts being reviewed. The number of passengers continues to be around 19,000 per day with around 1,800 contracts. We are working closely with the Corporate Transformation Team to reduce the number of calls and emails into the team by improving the communication with parents and schools.
- 1.1.4 The local authority continues to work in partnership with public transport operators to sustain services where possible, and the Council is supporting operators through developing promotional material and undertaking related activity to promote bus services and increase patronage levels. Some of the recent activity utilising BSIP+ funding is listed below with more detail in the BSIP report that is being considered at this Scrutiny meeting:
- Gainsborough Into Town enhancements commenced on 19 February 2024 and the Grantham Into Town on 18 March 2024. Both towns now have 15 minute frequencies.
 - Skegness IntoTown Service changes to frequency will commence on 22 April 2024.
 - Extended Lincoln evening services also commence on 22 April 2024.
 - Real Time Information to be introduced in key locations around the County.
 - The £2 adult single fare cap remains popular has been introduced on Callconnect services to bring this scheme in line with the national strategy. This has proved very popular amongst its passenger base to date;

1.2 Progress on Transport Services' Medium to Long Term Priorities

- 1.2.1 Transport Services is working on the following key priorities, in order to maximise opportunities, manage risks and in order to work towards establishing a Lincolnshire passenger transport strategy.

- 1.2.2 **BSIP+ funding** – There are clear plans for the BSIP+ Phase 2 spend for this and the following year. The Council has also been awarded Network North Funding (BSIP Phase 3). Again more detail is included in the BSIP report.
- 1.2.3 **Rollout of an app-based booking system for Callconnect services** – The callconnect Via app has now been rolled out across Lincolnshire with no delays. *To add some stats before final report.*
- 1.2.4 **Educational Travel Transformation Programme** – work continues to transform the transport service, making it fit for purpose, and to maximise process efficiency and route optimisation to ultimately deliver significant cost avoidance savings and improve value for money. Activity continues across a number of themed elements, including the following:
- **Staffing:** Following a successful recruitment drive, the Education Operations team will no longer be operating under template, as key vacant G7 and G8 roles have been filled with strong candidates, the majority coming from the external market. An intensive training programme for the Educations Operations team for both existing and also new recruits has been created. This will establish a baseline of knowledge and adherence to processes. The scope of the training will continue to be re-visited as new software functionality is embedded within operating processes. Training has already commenced and is focusing on the most impactful areas on a priority basis. New starters joining the team following the recruitment exercise will also undertake an intensive induction and training programme and will not commence operational responsibility until they have reached the required knowledge and understanding. This will ensure high standards of compliance with process.
 - **Systems:** Recognising potential issues with the way operating systems talk to each other and therefore ability to interrogate data with confidence, the development of a performance lead role who will lead on liaison between Serco, MTC (operating software) and Finance and Performance teams. Forecasting exercise has identified multiple issues with the way the systems talk to each other and the way we interrogate the date and the confidence derived from outputs.
 - Action has been taken to ensure that MTC is the “single point of truth”, and to maximise use of the software to improve Route Optimisation and Scheduling, to drive BAU cost savings. Closer links with DDS (provider of Operating Software MTC) have been established with the aim to better utilise current functionality, with particular focus on improving operating effectiveness as well as a contract optimisation. A series of workshops have been established to create an action plan to put in place all identified short- and long-term improvements.
 - To improve MTC operating performance and platform stability, a move to a new server and Oracle database is being finalised is expected to conclude by mid-April 2024. Immediately following the server upgrade the latest version of the software will also be adopted, which offers improved route optimisation and process efficiency functionality. This improved hosting environment then offers the ability to connect to and then interrogate the database for Power BI dashboard development and improved reporting.
 - **Contracts:** During 2024/25, the following are key focus areas for savings:
 - Single occupancy contract review to be repeated;
 - Personal Travel Budget opportunities review to be repeated;
 - Route optimisation review to be repeated;

- Independent Travel Training review – with a full team in place, high cost passengers will be targeted for training;
- Detailed procurement and contract review plans are being created and using data reports to prioritise schools and areas which will yield greatest value for money improvements. As with all local authorities in England, we continue to focus on managing the cost pressures in educational travel provision which come with arranging travel provision for 19,000+ pupils per day.

1.2.4.1 Challenging Marketplace:

The cost of educational travel has been impacted by a number of external factors out of our control, including: national living wages rise, inflationary challenges, a national drivers' shortage (including more favourable pay rates in other delivery sectors), a shortage of passenger assistants, rising fuel prices; higher operational costs for larger operators including requirements of the Public Service Vehicle Accessibility Regulations 2000 (PSVAR) legislation, and an increase in placements to specialist settings for pupils with special educational needs.

Two recent studies commissioned by the County Council Network (CCN) and the Association of Directors of Environment, Economy, Planning and Transport (ADEPT) have identified that Education Travel Spend is increasing considerably. The CCN study estimates that by 2027/28 national expenditure would be 113% higher than it was in 2018/19.

This is primarily due to pre-16 Special Educational Needs (SEN) transport. Nationally, there's been a 35% increase in eligible SEN pupils since the Children and Families Act was introduced in 2014. Furthermore, Local Authorities in the CCN have a higher per capita burden of expenditure on Education Travel. Modelling suggests that SEN budgets will continue to increase by 15-20% per year for the next 1-3 years.

As well as additional demand for SEN transport, this combines with increased inflation and increases in operating costs on raw materials and wages for the transport industry. Both reports identify that the majority of Local Authorities have embarked on programmes of reviewing current costs. Some Local Authorities have also revised the current education travel policies resulting in delivering the statutory minimum. Both reports conclude that no amount of effective commissioning or other cost avoidance measures will completely offset the impact of increased costs.

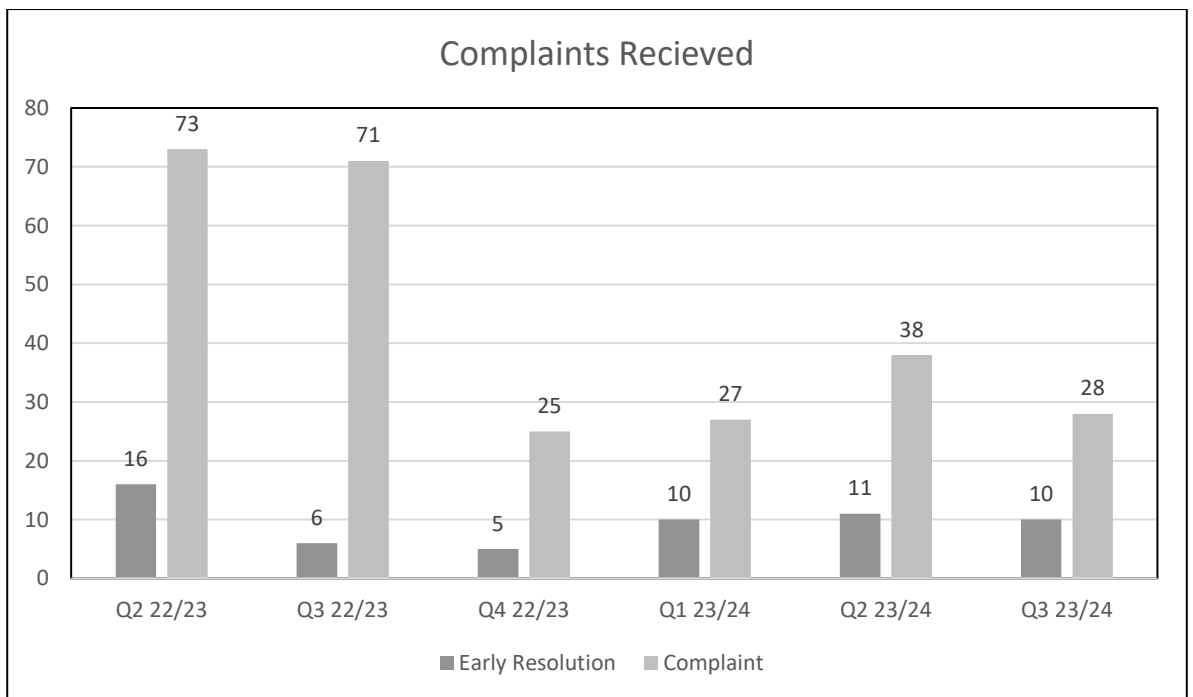
The CCN summarises that the challenges facing the home to school transport system are ones that local government cannot tackle alone. There are limitations in the efficiencies that can be generated locally, given the lack of control local authorities have over the majority of the driving factors; and the CCN believe that this is an area in which central government will need to take action to either change the statutory duty so that it fits within the envelope of funding available to local authorities, or provide additional funding to meet the statutory duty as it stands. The CCN reports that meaningful action to address the unsustainable demand for home to school transport is dependent on finding solutions to the current suite of endemic challenges within the SEND system.

- #### 1.2.5 Key performance measures and reporting –
- The focus for developing performance measures remains on educational travel. The performance dashboard is progressing well with dedicated resource from the corporate performance team.

1.2.6 **Complaints** - Transport Services received a total of 38 contacts in Quarter 3 of the 2023/2024 year, from individuals wishing to give feedback, report issues or complain about various services. Out of these 38 contacts, 28 entered the formal complaints process and 10 cases were handled as an Early Resolution, which equates to 36% of all contacts received.

Of the 28 complaints which were formally investigated at stage 1 of the complaints process, 2 cases required escalating to the second stage. Out of these 2 cases one was upheld. Out of the 28 cases, 13 cases were not upheld, 9 were partially upheld and 6 were fully upheld.

Transport Services has seen a large decrease in cases logged formally from Q3 in 2022/23 with a 60% drop, and a further drop since quarter 2. As previously reported we would expect a peak of complaints in quarter 2 at the start of the academic year.



2. Conclusion

2.1 The Highways and Transport Scrutiny Committee is requested to consider and comment on the detail of the report and recommend any changes or actions to the Executive Member for Highways, Transport and IT.

3. Consultation

a) Risks and Impact Analysis

The Transport Services risk register is regularly monitored and managed in accordance with the Council's approach to risk management. The highest scored residual risk is the negative impact of operating costs and inflationary costs of bus and taxi operators, on the service budget.

4. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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