



**Open Report on behalf of Andy Gutherson, Executive Director – Place**

Report to:	<b>Highways and Transport Scrutiny Committee</b>
Date:	<b>17 July 2023</b>
Subject:	<b>Transport Quarter 4 Performance Report 2022/23</b>

**Summary:**

The purpose of this report is to provide the Committee with a summary of performance for quarter 4 in relation to passenger transport and the Council’s Transport Services.

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 in order to access their requirements.

As a local transport authority, 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. The Council is finding taxi contract prices are starting to stabilise, but it is important to note they are not reducing. The national living wage increases took effect in April and driver shortages continue across the industry,

continuing the reduced resilience in operators' ability to respond to operational issues such as staff sickness.

- 1.1.2 The Council's passenger transport supplier market continues to grow, albeit slowly and only with new taxi operators choosing to work with the Council, as opposed to bus operators. We now have a total of 332 operators with whom we contract with through our dynamic purchasing system.
- 1.1.3 The Department for Transport (DfT) has recently announced an additional £300 million to support bus services from July 2023 until April 2025. £150 million will be provided between July 2023-April 2024 and £150 million between April 2024-April 2025. The £300 million will be allocated on the basis of £160 million for local transport authorities to improve fares, services and infrastructure, and £140 million going directly to operators to help protect essential services. From the Council's perspective, this results in £2.1 million of Bus Services Improvement Plan Plus Bus Service Improvement Plan (BSIP) + funding for this financial year, from a total of £80 million that is going directly to local transport authorities, focused on places that do not have large existing BSIP allocations. For Lincolnshire's bus operators, this funding replaces Bus Recovery Grant (BRG) funding which ended on 30 June 2023 and the allocation will be calculated based on fuel use and distance.
- 1.1.4 The DfT has also announced it will provide up to £200 million to continue capping single bus fares at £2 outside London until the end of October 2023 and then at £2.50 until 30 November 2024 – when the government will review their effectiveness and future bus fares. In Lincolnshire, 4 of the main bus operators have taken up this scheme and have indicated they will continue. The Council will also be implementing this scheme on its demand responsive CallConnect services.
- 1.1.5 Passenger numbers on the Councils CallConnect services remain stable at approximately 98-99% of pre-covid levels. Contextually, the majority of conventional bus services across the county are seeing patronage levels in the region of 75-85% of pre covid figures. This trend shows that confidence is high in the service, and it is well valued across all parts of the county.

## **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 **Transport Services staff restructure** – The new service-wide staff structure went live on 1 February 2023, so is just over 5 months into being embedded. There remain underway some gradual transitions of roles and responsibilities, and overall, the structure is working well and is driving cross-service effectiveness. The second round of recruitment has proved more successful than the first round, filling 14 vacancies from a total of 24, leaving 10 vacant in operations. The leadership team is reviewing capacity needs to determine how we meet any urgent requirements and when the

third recruitment round will be initiated. One of the mechanisms that proved successful was the use of agency staff who then applied for permanent roles and were successful, using the Council's new agency recruitment contract and system. Whilst vacancy numbers remain relatively high, once all new staff are in post, the increased capacity levels will make a positive difference to service effectiveness.

**1.2.3 Lincolnshire Enhanced Plan and Scheme, incorporating the BSIP** – this is a collaborative partnership between bus operators and the Council, focused on stabilising and developing the county's bus services. The partnership group meets on a quarterly basis, and the focus is currently on agreeing a refreshed BSIP by the end of October. The draft BSIP is scheduled to be considered by this Committee at the next meeting.

**1.2.4 Educational Travel Transformation Programme** – the 3-year programme started in October 2021, with the initial focus on educational travel. Significant progress has been made on all of the transformation programme workstreams for educational travel, with overall objectives being to transform the transport service, make it fit for purpose, and deliver significant cost avoidance of circa £5million per annum. Activity has to date progressed across multiple elements themed into 3 key areas: Efficiencies, performance culture, and shifting the offer. As the service has been developing, transformation activity has become service-wide.

**1.2.4.1** There remain key areas for service development, including the following:

- Cultural shift continuing, including a focus on customer service, in partnership with the Council's Customer Service Centre – communications and customer care training and development is underway with staff in advance of the summer peak period.
- Management information development and use to drive a high performing service, including through a collaborative dashboard with Children's Services in order to project future trends and impacts – see a separate update below.
- Implementation of the new Travel Options function, to enabling and empowering pupils to use travel modes alternative to taxis – from travel training Special Education Needs (SEN) pupils to maximising opportunities for sustainable travel – a development plan is being established, now that all vacant posts in this team have been recruited to, with 2 new staff expected to start by mid-July. This includes collaborative work with Adult Care and Community Wellbeing to support adults with independent travel training.
- Management of the educational travel budget pressure, which remains high for 2023/24 – the 3-year procurement plan to contract in geographical areas is the main activity aiming to reduce costs, alongside route optimisation and the Travel Options work noted above.

**1.2.5 Key performance measures and reporting** – The focus for developing performance measures is on educational travel. From a Public Transport perspective, the Council

does not have direct control over the commercial network and, as such, developing measures would not be appropriate at this stage.

1.2.5.1 Transport Services manages more than 1,500+ contracts with more than 300 suppliers. As such, monitoring the effectiveness of these contracts is an important part of service performance. The service inputs into a corporate report on contracts and differentiates between 6 contract types (shown below) and the Red, Amber, or Green (RAG) rating status for each is static, however the contract prices and the issues surrounding market capacity mean that the RAG status is either amber or red for all. Transformation activity is underway to mitigate and manage all issues.

- i. Educational Travel - SEND
- ii. Educational Travel – Mainstream
- iii. Social Care Travel - Children's
- iv. Social Care Travel – Adults
- v. Tendered Local Bus Transport
- vi. CallConnect

1.2.5.2 As was summarised in the previous report, in order to manage and monitor Education Travel performance, performance measures are being established and a dashboard created. The dashboard is on target to be in place by the end of July, and there have already been significant development in establishing robust data. The dashboard will be presented at a future meeting of this committee.

1.2.6 **Category Management Plan for Transport Supplier Market** – As per the previous report, an important part of a passenger transport strategy for Lincolnshire will be a vision and strategy for the transport supplier market the Council needs to meet the needs of residents and visitors. In the medium to longer term, a management and development plan will be established in partnership with the Council's Commercial Team and transport suppliers, to agree the market required as well as the opportunities and barriers involved. The current focus is to collect data and information from tendering activity, which will inform this piece of work. This priority will not be a key priority until later in the 2023/24.

1.2.7 **Lincolnshire Network Review** – We continue to work with operators to identify future demand levels for bus services and commercial plans for the network in Lincolnshire, as we work towards an integrated passenger transport network. The initial focus has been on contacting schools to collect data and information on travel provision they arrange themselves for their scholars. We have gathered a large amount of data and are now exploring how to use it to provide a more streamlined and effective network of bus services across Lincolnshire. We are working with two bus operators to identify where closed school and college services may be duplicating the commercial network, and then we will look for efficiencies and synergies to result in a proposal for schools and colleges. Our aim is to enable students to travel cost-effectively and in a way that supports the long-term sustainability of the commercial bus network. Engagement with schools and colleges should start early in September.

## **2. Conclusion**

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 two highest scored residual risks are the negative impact of operating costs and inflationary costs of bus and taxi operators, on the service budget; and the inability to recruit and retain employees.

## **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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