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London Councils

Developing the Door to Door Strategy for London

The Business Case

Draft Report v1.0

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to progress to travel

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APPENDICES

1. INTRODUCTION

1.1 Door-to-door transport for those in London with mobility impairments and those with special needs is currently provided through a range of services, including Dial-a-Ride, Taxicard and Capital Call, through Borough-based Plusbus schemes and Community Transport schemes and through NHS PTS. In addition, there are statutory services, such as Social Services transport, and the Disabled Person's Freedom Pass and Blue Badge schemes.

1.2 The combination of changing demographics and funding constraints is placing door-to-door transport under increasing pressure. The increasing demand from users and the need for the public sector to deliver efficiency savings over the next few years is leading many organisations to examine how these usually disparate services are organised, commissioned and operated, and whether greater collaboration could contribute to service improvements. In addition, there is continued pressure from users for improvements in the quality of the offer and for a more consistent, less confusing and more equitable set of door-to-door transport services.

1.3 London Councils commissioned eo consulting to produce a report to assist with developing a high level strategy for the future of these services. The recommendations set out in 'A Future Door to Door Strategy for London', September 2009, were agreed by London Councils' Transport & Environment Committee (TEC) in October 2009.

1.4 Since then London Councils has commissioned eo consulting and Peopletoo to develop the strategy in more detail; specifically to develop the Integrated Transport Unit concept and to review issues around eligibility, assessment and entitlement, and make recommendations on how these can be implemented. In summary, the draft report recommends:

- Implementation through the establishment of sub-regional Transport Bureau, where stakeholder organisations remain independent with the Bureau acting as a shared journey scheduling and booking facility, with a single telephone number connected to a centralised call centre
- The Bureau would commission services through a framework of contracts, initially using existing stakeholder contracts. As these contracts expire new cross-sector contracts would be defined with a range of transport providers
- Building on existing collaborative partnerships to establish the potential to move to the Bureau model, set up through an Administrative Approach or Formal Agreement. Initially, this could be through a pair of boroughs, with the sub-region growing organically over time.

- The purpose of the separate, but overlapping, Dial-a-Ride, Community Transport and Plusbus services, and the future of Capital Call, should be reviewed
- Given the lack of an existing appropriate and scalable ITU model that could be adopted in London, the Transport Bureau should be run initially as a pilot
- Eligibility should be transferable and work should be undertaken to derive consistent criteria within each Bureau area
- Assessments should be multi-service and 'holistic', located within the Bureau, with existing assessment staff seconded and supported by a framework of contracted assessors

1.6 The next phase of this work has been the production of a business case for presentation to London Councils TEC. The main objectives are:

1. To review and advise on the likely demand trends for door to door services in the medium to longer term
2. To clearly outline both the financial and non-financial benefits of moving to a sub regional Transport Bureau approach
3. Develop a robust risk register which identifies the risks in moving to this approach, the severity of the risk and any potential mitigating action that can be taken to avoid or reduce severity.
4. To explore and recommend potential boroughs to pilot the proposed delivery model

1.7 This business case will be key to determining the engagement of the stakeholder organisations to delivering this strategy. Equally, the successful implementation of a Transport Bureau will be dependent upon the willingness of the stakeholders to work in a positive spirit of partnership.

1.8 Whilst we are able to obtain robust and detailed data at a specific sub regional level, it must be recognised that it is not possible to obtain accurate details of the level of resource currently in place across all stakeholders for the whole of London. Some organisations do not have that level of information for themselves, with particularly the back office support resource not being readily identifiable from other functions, for example where the service is provided through one-stop shops or as part of broader social care functions.

1.9 In addition, it should be noted that it was not possible to collate specific data in support of this business case for NHS PTS contracts and to identify the volumes and cost of block contract or spot-hired journeys. As such, it has only been possible to estimate the financial benefits that could accrue to both the NHS and to other potential providers of PTS through the Bureau concept using existing experience and benchmark data. However the benfits are considered to be significant and an important element in deriving greater efficiencies.

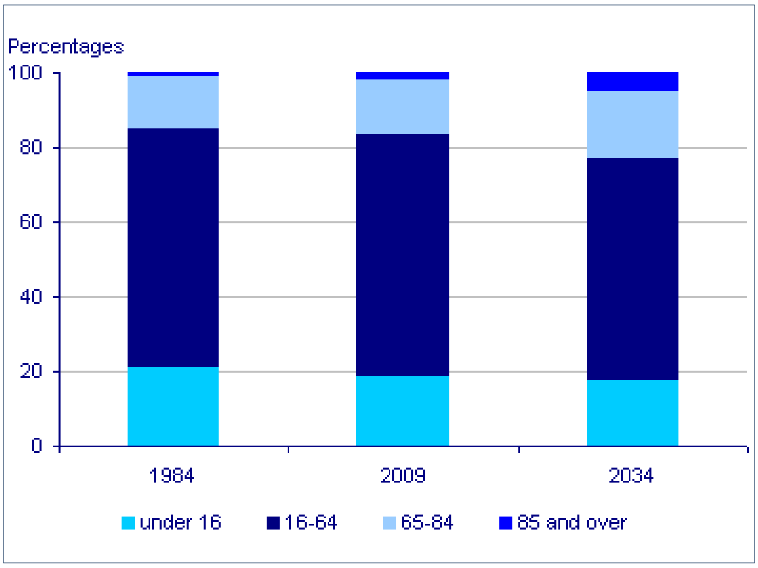
2. THE FUTURE DEMAND FOR DOOR-TO-DOOR TRANSPORT

2.1 As identified in the main report, one of the key challenges for door to door transport across London is how to meet increasing levels of demand at the same time as improving the quality of the offer for the user within constrained budgets.

2.2 A number of statistical sources can be used to illustrate demographic trends in London, in particular for the elderly and disabled.

2.3 Data from the Office for National Statistics shows:

- The population of the UK is ageing
- Over the last 25 years the percentage of the population aged 65 and over increased by 1.7 million people to 16% of the population
- This trend is forecast to continue with 23% of the population projected to be aged 65 and over by 2034
- The fastest population increase has been in the number of those aged 85 and over, the 'oldest old'
- In 2009, there were around 1.4m people in the UK aged 85 and over and by 2034 this number is projected to be 2.5 times larger, reaching 3.5m (5% of the total population) as shown in the table below.



Source: ONS MYE and National Population Projections

- The increase in the 'oldest old' is attributed to a combination of an overall improvement in medical treatment, housing and living standards, and nutrition.
- Whilst disability-free life expectancy (expected years of life without a limiting illness or disability) increased between 1981 and 2006, the proportion of life spent in good health fell slightly.

- The population of London has grown from 7.322m in 2001 to 7.754m in 2009, an increase of 6% in 8 years
- 1.11m Londoners were recorded as having a long-term limiting illness in 2001, although there are variations both between boroughs and within boroughs.
- In 2010, over 313,000 Londoners claimed Disability Living Allowance, a 30% increase from 2002, with approximately 50% claiming the Higher Rate Component. This increase of over 27,000 people in Higher Rate Component claimants represents directly the additional number of people who would be automatically eligible for concessionary travel services in London.

2.4 GLA data shows that the overall population in London will rise by over 700,000 between 2006 and 2016. An overall increase of nearly 52,000 in those aged 65 and above is predicted for the same period, the highest % growth of all age bands. Within that overall figure there are significant variations across boroughs.

2.5 There is evidence to show that the complexity of disabilities is increasing, resulting in a greater demand for specialist transport. Given the current financial constraints there is therefore an imperative to maximise an efficient use of the available transport resource.

2.6 The learning disabilities population is increasing at an estimated rate of 1.1% per year, due in part to the rising number of young people with complex needs surviving into adulthood and the increased life expectancy of the learning disabled population generally.

2.7 London Boroughs, the PCTs and other public sector bodies produce Joint Strategic Needs Assessments to describe the current and future health and wellbeing needs of its local population. These serve to illustrate the variations that exist across London, for example in the degree of contact people have with their local borough regarding Adult Social Care.

2.8 How these demographic changes filter down into changes in the demand for door to door transport services will be influenced by a number of factors, including any changes to:

- The benefits system and related assessment processes, in particular for the Higher Rate Component of DLA
- The way in which FACS criteria are applied to determine eligibility to access social care
- The capacity and accessibility of the mainstream public transport network. The growth of London is predicted to lead to an increase of 3m trips a day by 2031. This additional pressure on the network is likely to see the more vulnerable continuing to seek to use specialist door to door transport in preference to mainstream services.

- The continued impact of the personalisation agenda. In the first quarter of 2010/11, 20,753 people in London are recorded as receiving self-directed support, 25% of the number of clients receiving community based services as defined in NI130, although there are significant variations across London. ADASS, the LGA and DH have agreed that 30% of eligible social care users, or carers, should have a personal budget by April 2011. This continued drive towards personalisation will require a changing role for local authorities from commissioners to enablers and market managers and will see further pressure on the more traditional provision of transport services.

2.9 A more robust approach to social care eligibility and entitlement could lead to a reduction in the number of applicants who are assessed as being automatically entitled to concessionary transport such as Adult Services, Freedom Pass, Taxicard or Blue Badge. However this is likely to lead to a displacement increase in demand to those services that have a more open eligibility criteria, for example Dial-a-Ride and Community Transport.

2.10 Given the above local variations and the recommendation to establish sub-regional Transport Bureau that meet local needs, there is little to be gained in attempting to determine a London-wide figure for the growth in demand or the overall quantum of door to door journeys. Not only will this be influenced by the above factors but also by service resource and its availability, any changes in eligibility criteria (including any redefining of Dial-a-Ride/borough-based bus schemes/Community Transport), user cost, quality of service and promotion. Suffice to say that the above demographics clearly illustrate that there will increases in demand for these services in both the short and longer term. Given the differing baselines for each area it should be for each sub-region to develop services bespoke to local need and reflecting local pressures. A flexible and local approach is critical to responding to all the above changes, and the ability of the Transport Bureau to maximise an efficient use of the finite transport resource is vital if service users are to benefit.

3. BENEFITS

3.1 INTRODUCTION

3.1.1 The core function of a Transport Bureau as a centre point of contact and having access to shared resource will deliver both financial and non-financial benefits to the organisations involved. Increased utilisation of the resources will:

- reduce running costs
- shorten dead mileage
- increase efficiency

3.1.2 A central point of scheduling will provide scope for:

- increasing revenue
- having a better and wider choice of usage of vehicles and drivers
- providing a simpler, quicker and more responsive approach to customers, with only one point of contact

3.1.3 The concept of the Bureau importantly allows for a 'modular' approach, structured to allow buy-in at any time. However, as a consequence savings can only reflect the economies of scale at that time.

3.2 OPERATIONAL FINANCIAL BENEFITS

3.2.1 TfL DIAL-A-RIDE

A reduction in costs will be achieved through:

Increased utilisation –

- At present dead mileage equates to 41.8% of total operations and includes runs from/to depot at the start/finish of each shift and mileage to next pick-up. It also includes operational mileage that becomes dead mileage following passenger cancellations and passenger no-shows. The Bureau offers opportunity for members to sub-contract Dial-a-Ride services in order to supplement their own. This in turn should increase utilisation, particularly in off-peak periods. The peak period for Dial-a-Ride is between 2 p.m. and 4p.m and although this may clash with Adult Social Care and SEN afternoon journeys, it provides scope to supply additional resources to these services at peak times in the morning and lunchtimes. In addition, as many outpatient clinics finish late morning and hospital discharges take place late morning, it is anticipated that Dial-a-Ride would be in a position to supplement non-emergency patient transport, reducing the high costs incurred by the Primary Care Trust (PCT) when forced to sub-contract outside of pre-agreed block contracts due to high demand.

- TfL's aspiration is to achieve 1.4m Dial-a-Ride trips per annum, which the Bureau will undoubtedly help them achieve or even exceed. In 2009/10 the TfL Dial-a-Ride trip cost was £26.30, based on 1.17m trips. In 2010/11 TfL is on course to achieve 1.3m trips, which would reduce the trip cost to £23.53. This equates to an increase in trips of 10% reducing cost per trip by 10%. If TfL achieves 1.4m trips (an increase of 7%), then working on the same basis as above, this would result in a **reduction in trip cost of 7% (£1.64)**, making the trip cost £21.89. Whilst not a directly cashable saving it would be a more efficient use of the finite Dial-a-Ride budget and deliver the trip volume target, the deliverability of which was the subject of some scrutiny in the recent London Assembly Transport Committee report.
- One third of all journeys at present are single occupancy, particularly high on trips that are over 5 miles. The Bureau offers the opportunity for Dial-a-Ride to sub-contract these journeys to local Community Transport operators for a reduced cost. Community Transport local journeys are charged at an average of £10 compared to £23.53 currently for Dial-a-Ride.

Reduced spend on sub-contracted transport –

- In order to address the previously high refusal rate, a 'consolidator' contract was put in place with Computer Cab City Fleet, to provide 'on call' cover for cancellations, breakdowns etc. The contract delivers around 900 trips per week at an average trip cost of £21.46. Through increased buying power of the Bureau and opportunity to sub-contract to Bureau members at a reduced cost price (Community Transport trip cost approximately £10), **savings in the region of 17% could be achieved against this spend**.

Reduction in support services –

- Reduction in staff costs through centralised scheduling, call handling and assessment, achieving economies of scale.

3.2.2 COMMUNITY TRANSPORT

A reduction in costs will be achieved through:

Increased utilisation –

- Community Transport peak times at present often clash with social services peaks time, however it is suggested that Community Transport providers could be used along with Dial-a-Ride to supplement non–emergency patient transport demand.
- Dial-a-Ride has also identified a large percentage of single occupancy journeys, particularly over 5 miles. Again, local Community Transport providers could be used to undertake these

journeys on behalf of Dial-a-Ride, making use of available capacity to increase existing utilisation and reducing costs.

- Dial-a-Ride has moved away from group transport to provide a more equitable service to all its members, although in practice groups continue to use Dial-a-Ride as individuals, resulting in multiple vehicles to one destination. A more robust approach offers opportunities to increase utilisation of CT vehicles and improve revenue streams for Community Transport providers.

Increased revenue –

- It is proposed that the Bureau would offer an opportunity for Community Transport providers to secure income from supplementing non-emergency patient transport and Dial-a-Ride services.
- It is envisaged that increased revenue would in turn reduce current journey costs, helping Community Transport providers to become more competitive when bidding for work such as Social Services Home to School and Adult Social Care day centre/activity transport. CT operators often find themselves tendering against local taxi firms, which they can only compete with in terms of service quality, not purely on price due to their high level of overheads.

Reduction in costs –

- Reduction in staff costs through centralised scheduling, call handling and assessment, achieving economies of scale.

Brent Community Transport

Brent Community Transport (BCT) receives limited grant funding from Brent Council, with the majority of revenue secured through operating door-to-door passenger transport services.

BCT operate a number of school contracts which sees their utilisation at its highest between the hours of 7.00a.m to 8.30a.m. and from 3.30p.m. to 4.30p.m.

BCT has been pro-active in securing additional revenue and has established a mutually beneficial relationship with Barnet and Harrow Community Transport providers. This has resulted in BCT running a number of contracts on behalf of Barnet and Harrow and vice versa, including generating £12,000 additional revenue in the last five months through undertaking work for these 2 boroughs.

Discussion with BCT has confirmed that any opportunities to increase utilisation would reduce overheads, which in turn would mean that they could be more competitive when bidding for work against private companies.

BCT has also recently established a call centre which now handles all the calls and journey scheduling. This has been developed in order to support personalisation and what BCT envisage will be an increased demand for transport from individuals in receipt of Direct Payments who wish to commission transport in order to support activities.

BCT is also applying for a licence to operate as a Taxi company, again in order to support the anticipated increase in demand and flexibility required from those in receipt of direct payments.

Waltham Forest Community Transport

Waltham Forest Community Transport currently has 23 vehicles in operation throughout the year. Total running costs for the operation are £572,000 p.a., with the majority of vehicles brought second-hand outright and two vehicles leased.

On average vehicles are used 205 days p.a. but this varies from 1-5 days per week and 39 – 51 weeks per year for contract work, with community transport more ad hoc.

Core costs are forecast for 2010/11 at £421,000 with utilisation at 205 days or 4,324 hours (excluding the two vehicles used for contract work), equating to a cost of £97.36 per vehicle per day.

The income forecast for 2010/11 is £288,000 for contract work and £122,000 for community-based services.

Waltham Forest CT is recruiting for a dedicated scheduler, at a cost of £21,000 pa. excluding on costs.

With an increase in the utilisation of vehicles through the Bureau of 20% and a reduction in staffing costs through economies of scale achieved by introduction of the centralised call handling and scheduling function, it is envisaged that a **21% saving on the cost per vehicle per day** can be achieved.

Further opportunities for London's Community Transport

Local Councils and Central Government are keen for ideas to be put forward that would involve the third Sector, and volunteers, delivering more effectively targeted services against a backdrop of severe financial limitations. Opportunities identified by CT organisations to date not only include the use of integrated fleet management software and centralised procurement of vehicles but also include:

Greater logistical support provided to the third sector by statutory bodies in order maximise economies of scale.

Time, space, fixed costs, administrative facilities and physical resources are all aspects of operations in which Councils, PCT's or other agencies can provide meaningful and worthwhile support for small voluntary organisations. A statutory body may wish to allocate office and parking space, as well as administrative support by allowing access to the IT systems at minimal cost to the host. By not having to undertake every aspect of administration, or having to pay for professional support to assist, substantial savings can be made that make a significant difference at both the strategic planning and operational level.

Integration between vehicle tracker, bookings operators and doctors or hospital appointment systems to improve utilisation and reduce wasted driver time.

Within the NHS substantial vehicle and staff resource is dependent on patients being on time. If a passenger doesn't feel well enough to attend an appointment on the day, or has mistaken the pickup time, then with GPS (Global Positioning System) data tracking installed on each vehicle the driver could be contacted by text to their screen to divert to the next passenger. This saves unnecessary mileage, especially if they can then diverted to a person on the standby appointment list with a minimum of delay.

3.2.3 LOCAL AUTHORITY TRANSPORT

An increased collaborative approach to the provision of transport offers a number of opportunities to reduce cost and increase utilisation for London boroughs. Examples of two sub-regions are given below.

West London Alliance

Following detailed analysis of current budgetary and activity/operational data, savings in the region of £7.1m (21%) have been identified as a result of improved efficiencies stimulated by the adoption of the Bureau model, along with increased collaboration for the provision of passenger transport services. Areas of potential saving identified include:

- Out of borough shared journeys – **on average £230,000 saving per authority**
- Natural wastage of staff as a result of the introduction of centralised activities such as call handling and scheduling – average **reduction in staff costs of 25%**
- Reduction in purchasing and spot hire costs for fleet vehicles, achieved through increased buying power, development of common specifications and pooling of spare vehicles estimated savings to be in the region of **15% of existing spend**
- Reduction in fleet maintenance costs achieved though increased buying power for parts, fuel and tyres as well as maintenance contracts – **average of 10% saving through increased buying power**
- Reduction in external contractor costs achieved through increased buying power and adoption of a 'pence per mile' framework for

contracted in-borough journeys – **17% saving on existing contracted transport spend**

- Reduction in agency spend through reduced charge rates, achieved through increased buying power as well as increased utilisation of staff and opportunities to share resources as appropriate – **20% reduction in existing spend on agency staff**
- Development of an alternative travel programme in order to increase independence and reduce dependency on social services, supporting the personalisation agenda – potential savings quoted as a result of introducing travel training to be **£1 for every £416 spent**

The above financial modelling does not include the roll out of the Bureau to other public sector organisations and the subsequent opportunities this would bring to further reduce cost and generate greater efficiencies. The expansion to include other public sector bodies and voluntary organisations is something that is to be explored further in the West London Alliance area.

East London Solutions

We have undertaken a high level analysis of current budgetary and activity/operational data across ELS members. This is based on data supplied by the ELS boroughs and no further validation of the information provided has been undertaken. We are aware that this dataset is incomplete and that some data requirements have been misinterpreted and appreciate that boroughs are at different base positions.

Notwithstanding this, we believe that by using the learning and opportunities identified from the more detailed WLA work, **potential savings in the region of £4m (14%)** could be explored within ELS as a result of improved efficiencies stimulated by the adoption of the Bureau model, along with increased collaboration for the provision of passenger transport services.

The current position across the ELS councils is as follows:

- **Total Spend of approx £32m**, although not all fleet management costs are included for some councils
- Cost of transporting a child and adult varies significantly between member authorities, even allowing for some data comparability differences
- Eligibility, entitlement and assessment for services such as Blue Badge, Freedom Pass and Taxicards varies across the region. The number of concessionary travel passes on issue varies from 21,407 to 48,827 and Taxicard membership varies in number from 2,007 to 5,407 across the ELS Boroughs
- There is currently a mixed economy of service provision

- Through the creation of ELS, the councils are already starting to work together on moving forward many of the areas identified as having the potential for improved efficiencies. More information on the opportunities is being developed and quantified over forthcoming months
- There is little collaborative working with other public sector organisations, although this has now commenced and many boroughs are supporting transport arrangements for the third sector.

The key opportunities are identified as:

- Out-of-borough shared journeys
- Natural wastage of staff as a result of the introduction of centralised activities such as call handling and scheduling
- Reduction in purchasing and spot hire costs for fleet vehicles, achieved through increased buying power, development of common specifications and pooling of spare vehicles
- Reduction in fleet maintenance costs achieved through increased buying power for parts, fuel and tyres as well as maintenance contracts
- Reduction in external contractor costs achieved through increased buying power and adoption of a 'pence per mile' framework for contracted in-borough journeys
- Reduction in agency spend through reduced charge rates, achieved through increased buying power as well as increased utilisation of staff and opportunities to share resources as appropriate
- Development of a centralised alternative travel programme.

3.2.4 HEALTH – NON-EMERGENCY PATIENT TRANSPORT SERVICES

Unfortunately we have not been able to secure meaningful data from the NHS in relation to non-emergency patient transport. What has been apparent in the course of trying to ascertain this information is that there is no one body in London or within PCT areas with a holistic view. Procurement and contract management in the majority of cases is separate to commissioning, with the former in the main undertaken by the PCT and the latter by the local Acute Trust. However, the scope for efficiencies has been identified and although we do not have detailed contractual figures, some potential savings have been estimated and are included below.

Reduction in costs –

- A large number of existing non-emergency patient transport contracts currently in existence are based on block contracts, with the core service delivered within pre-agreed contractual volumes.

Any transport required outside of this block contract is spot-hired, often at significant additional cost and with questionable value for money. The Dial-a-Ride, Community Transport and borough transport resources available to the Transport Bureau can be used to meet peak period PTS demand at a significantly reduced sub-contract cost.

- A further reduction in costs could be achieved through the sharing of journeys, particularly with Adult Social Care client users, who are often the same client groups.
- Reduction in staff costs would be achieved through centralised scheduling, call handling and assessment, achieving economies of scale.
- It is envisaged that Bureau would manage eligibility, with members of the public and clinicians contacting the Bureau to schedule and request transport. This is the model that is used by Guys and St Thomas's Hospital and which is resulting in a reduction in the number non-emergency patient journeys in the region of 15%.

Total spend on non-emergency patient transport is in the region of £57m per annum in London. Approximately 3m non-emergency journeys take place each year with each trip costing in the region of £13-£22.

Based on our knowledge of PCT block contracts and the charges incurred for trips outside of that, and using a conservative estimate of 10% (300,000) of these journeys operating outside of existing Service Level Agreements (which would have been subject to additional charges in the region of 25%), the Bureau could accommodate these journeys for a reduced cost, with **estimated savings in the region of £2.2m p.a..**

This is based on an average journey cost £17.50 + 25% mark up = £21.87 per journey. 300,000 journeys x £21.87 = £6.5m current cost.

With these journeys commissioned through the Bureau:
300,000 journeys x £14.56 (assumes a further saving of 17% on original journey costs through increased buying power and alternative member resources) = £4.3m bureau-commissioned cost.

Opportunity to increase buying power -

- Further cost savings for the NHS would be achieved from increased buying power in the market place. This would come from aligning non-emergency patient transport requirements with Social Services SEN and ASC requirements when tendering.

3.2.5 FURTHER FINANCIAL BENEFIT OPPORTUNITIES

Although not part of the original scope of the door-to-door project, the centralised procurement function of the Transport Bureau would offer the opportunity for additional savings. One key area would be the centralised purchasing of fleet vehicles coupled with the development of common specifications. From evidence elsewhere this can deliver savings in the region of 15% of fleet purchase costs.

In addition, the centralised procurement of vehicle parts, including fuel, could again realise additional savings in the region of 10% of current vehicle maintenance budgets.

With reference to WLA area, these combined additional savings would be in the region of £900,000 per annum.

Longer term opportunity exists in exploring different approaches to the current vehicle servicing and maintenance arrangements. Whilst geographic locations restrict the options to rationalise between members (e.g. major traffic routes and traffic hotspots between borough depots, such as the A13, A406) there is opportunity to look to the private sector to fulfil this function.

With private truck dealerships, bus companies such as Metroline and First, as well as Veolia and Biffa all operating in different regions across London, there exists the opportunity to explore options to share facilities or to outsource the service in order to drive down cost and in some cases release capital assets.

OPERATIONAL FINANCIAL SUMMARY

Transport for London	Percentage Saving	Estimated Actual Saving p.a.
Reduction in spend on contracted vehicles	17%	£170,735
Community Transport –Waltham Forest	**Percentage Saving**	**Estimated Actual Saving/ Revenue Increase p.a.**
Reduction in staffing costs centralised call handling and scheduling	15%	£24,000
Increased income opportunities	20%	£86,400
Reduced vehicle cost increased utilisation and reduced staffing costs	21%	£20.82 per vehicle per day (from £97.36 to £76.54)
Reduction in vehicle costs through increased buying power	12.5%	£19,620
Local Authority –West London Alliance	**Percentage Saving**	**Estimated Actual Saving p.a.**
Centralised Route Scheduling sharing of out of borough costs		£1.2m
Reduction in staffing costs centralised call handling and scheduling	25%	£300,000
Reduction in contracted transport spend increased buying power	17%	£1.6m
Reduction in Agency Spend increased buying power	20%	£390,000
Reduction in vehicle costs through increased buying power	12.5%	£972,641
Local Authority –East London Solutions	**Percentage Saving**	**Estimated Actual Saving p.a.**
Centralised Route Scheduling sharing of out of borough costs		£1m
Reduction in staffing costs centralised call handling and scheduling	25%	£360k
Reduction in contracted transport spend increased buying power	17%	£1m
Reduction in Agency Spend increased buying power	20%	£139k
Reduction in vehicle costs through increased buying power	12.5%	£1.2m
Non-emergency Patient Transport	**Percentage Saving**	**Estimated Actual Saving p.a.**
Reduction in spend on contracted transport outside of the agreed SLA	34%	£2.2m

3.3 TRANSPORT BUREAU SET-UP COSTS

The tables below identify high level costs associated with the set-up of the Transport Bureau.

Scheduling Software - Below are details of four scheduling software systems which have been identified as having the capability to schedule, optimise and cater for demand responsive transport requests. The approximate costs associated with set up and on-going maintenance of each of these systems is included within the table.

These are approximate costs and would be dependent upon the quality of the data to be extracted and the ease with which this information could be integrated into a new system.

Activity	Estimated Cost
Scheduling and Optimisation Software - Examples	**Mobisoft** - The system requires you continually optimise a route to achieve the best outcome. **Approx Cost** - £100,000 one off optimiser cost plus 20% annual maintenance charge.
	Logical – The system is able to optimise on price and cater with minimum run fees, it is also able to split cost across cost centres and assist with budget management identifying actual against planned. **Approx Cost** – £70-80,000 (based on 1,000 passengers) 12-20% ongoing maintenance. *There would be a requirement far in excess of 1,000 passengers, which would have to be negotiated
	Mission – The system requires some manual input for clustering, optimising identified cluster group, it can calculate pence per mile rates and will raise invoices. **Approx Cost** - £45,000 software and £3,500 installation & training. £6,000 ongoing annual maintenance & support. As an existing user, an extension to integrate other stakeholder data will be approx £5,000 per data cleansing/ integration requirement.
	Trapeze – The system will optimise and will provide centralised billing. **Approx Cost -** £35,000 approx for a small 200 trips per day, 3 user operation. Each additional 200 daily trips tranche costs an additional £5,000 and additional £1,500 per user. Ongoing maintenance & support cost tbc. Based on approximately 1,586 trips per day this would equate to £70,000 plus £21,000 for 17 users = **£91,000** As an existing user, an extension into a new region would cost approx £10,000 on the same minimum parameters as above.

Call Centre – The costs identified for the establishment of the Bureau's Call Centre functionality have been provided by TfL. These are based on the expansion of an existing facility to cater for the needs of the Bureau and allows for 17 f.t.e.'s (full time equivalents).

Activity	Estimated Cost
Set up cost	**Approx Cost** - £120,000 one off cost This is based on the extension of an existing call centre facility (example used here is for the extension of TfL call centre). Based on 17 staff and 30 in-bound lines.
Annual Maintenance	**Approx Cost** – £30,000 (based on 17 users and 30 in-bound lines)
Staff costs	**Approx Cost** – £1,010,000 Based on 17 positions made up of 13 Booking Staff, Team Leader and Assistant and 2 Service Delivery. Staff would be seconded as appropriate from member organisations.

Total set up costs -

Activity	Total Costs
Set up costs	Scheduling - Approx average cost £93,000 Call Centre - £120,000 *Excludes project management and project team costs
On-going costs	Scheduling - Approx average cost £15,000 Call Centre - £30,000

3.4 ASSESSMENT SERVICE FINANCIAL BENEFITS

3.4.1 The main report sets out how the various existing assessment processes could be streamlined within a sub-regional Bureau. As part of a phased approach, the application and assessment service would build on seconded resource from existing stakeholders and make best value use of existing contracted support and existing systems such as *Tranzacct*. Ultimately, as existing contracts expire or, if further support is needed, a framework of outsourced mobility assessors would be put in place.

3.4.2 Financial benefits are:

- Sub-regional economies of scale
- Multi-service assessment in lieu of single scheme by scheme assessments
- Seconded staffing
- Joint commissioning
- Single Call Centre function
- Combined back office functions, integrated data handling and support systems, linked to borough care data such as Framework-I and HOST
- Combined use of Blue Badge assessment funding from 2011
- Pooled Section 159 support

3.4.3 A common sub-regional approach, which utilises a robust assessment model, particularly where boroughs currently rely on GP endorsement, will deliver further financial benefits:

- Increased parking revenue from Blue Badge
- Increased Congestion Charge revenue from Blue Badge
- Savings through refusal of inappropriate Blue Badge, Disabled Freedom Pass and Taxicard membership, particularly where GP endorsement is discontinued
- Reduction in future reassessment costs, particularly for the 3-yearly renewal of Blue Badge
- Reduction in cost of processing appeals

3.4.4 Further financial benefits, outside of this business case, could arise through

- A common policy within the sub-region of trip banding Taxicard where users have a Freedom Pass, as some of the pilot boroughs already have in place
- A common policy on eligibility criteria for discretionary Disabled Freedom Pass, which could realise significant savings for some boroughs

- Use of the Capital Call budget, if the scheme is dissolved

3.4.5 The financial benefits will be influenced by the extent to which all stakeholders make use of the Bureau assessment service. Key to maximising best value use of the resource will be for the partners to derive common eligibility criteria and common assessment procedures that are based on a single application form for multiple services across the sub-region.

Assessment Service Resources

3.4.6 It is estimated that the two identified sub-regions would need to process the following number of applications each year.

West London

Scheme	Membership	Applications p.a.	Non-automatics p.a.
Disabled Person's Freedom Pass	24,535	*2,500	*1,600
Blue Badge	49,298	19,000	11,400
Taxicard	19,406	2,500	1,550
Dial-a-Ride	9,669	2,800	1,400
Total		**24,000**	**15,950**

East London

Scheme	Membership	Applications p.a.	Non-automatics p.a.
Disabled Person's Freedom Pass	19,605	*2,000	*1,400
Blue Badge	45,910	18,000	10,800
Taxicard	23,174	3,000	1,900
Dial-a-Ride	14,851	4,300	2,150
Total		**23,000**	**16,250**

* figure excludes bulk renewal, next due in 2015

3.4.7 In a multiple service environment, the overall number of assessments required will be reduced when applicants are initially applying for, renewing, or may later apply for additional travel concessions. From the evidence of boroughs who have integrated their assessments, it is estimated that there would be an overall reduction of one quarter, reducing the above volumes to those shown below. There will be a further reduction where residents move borough within a sub-region and do not need to reapply, however it is not possible to quantify this and it has not been included in the figures below.

Sub-region	Applications p.a.	Non-automatics p.a.
West London	18,000	11,700
East London	17,250	12,075

3.4.8 The administrative resource required in-house to process this number of applications is estimated as being **7 f.t.e.** plus a team manager in each sub-region. To this must be added resource for the mobility assessment of non-automatic applications.

3.4.9 To this will need to be added sufficient resource to process applications for Community Transport services, the volume of which is not available. Discussions will also need to take place at the sub-regional level with regards to any potential to integrate local hospital-specific assessment models or processes for PTS eligibility.

3.4.10 It will continue to be necessary for clinicians to make initial eligibility decisions for PTS and for Social Services to make initial decisions as part of care packages or through SEN statements, and these functions remain outside of the business case.

3.4.11 The table below identifies the current assessment processes within the potential pilot sub-regions, where known. Some boroughs have a very fragmented service, with several care teams, local district teams or customer services staff determining eligibility, and the number of f.t.e's engaged is not always 'transparent' or a core function for the individual.

West London Borough Assessment Processes

London Borough	Disabled Freedom Pass	Blue Badge	Taxicard	Resources f.t.e.
Brent	Adult Services	Mobility assessment	GP endorsement	8
Ealing	OT assessment	OT assessment	GP endorsement	?
Hammersmith & Fulham	OT assessment	OT assessment	In-house team	6
Harrow	Access Harrow	GP endorsement	Outsourced Mobility Assessment	4.5 + outsource
Hillingdon	GP endorsement	OT assessment	?	?
Hounslow	GP endorsement	GP endorsement	London Councils	4

East London Borough Assessment Processes

London Borough	Disabled Freedom Pass	Blue Badge	Taxicard	Resources f.t.e.
Barking & Dagenham	In-house team	In-house team	In-house team	3
Havering*	GP endorsement	GP endorsement	GP endorsement	?
Newham	GP endorsement	GP endorsement	Outsourced Mobility Assessment	?
Redbridge	GP endorsement	GP endorsement	GP endorsement	?
Tower Hamlets	Outsourced Mobility Assessment	Outsourced Mobility Assessment	Outsourced Mobility Assessment	4
Waltham Forest	GP endorsement	GP endorsement	GP endorsement	7

* may be moving to outsourced assessments in near future

3.4.12 Seconded resource can come from the application and assessment teams currently in place in the boroughs, Dial-a-Ride, Community Transport and London Councils Taxicard team. It can be seen that, even though the above tables were not able to be fully completed, the total f.t.e. administrative resource required within a sub-regional bureau is significantly less than the current total borough resource.

3.4.13 In addition to the borough resource identified in the above tables there is the resource currently used within TfL Dial-a-Ride, although it is recognised that with 50% of Dial-a-Ride applications being automatic and the remainder self-certifying the current process is purely an administrative one and does not constitute a mobility assessment.

3.4.14 If the recommended assessment model is implemented within the bureau then all non-automatics will require assessment through the use of existing in-house OT or outsourced support. If completely outsourced using a staged model of paper/clinic/appeal then the likely cost for a sub-region will be in the order of £250-300,000 p.a. However, the above tables show that there is already substantial in-house resource, which, it is estimated, would reduce this figure by at least 50% to £125-150,000 p.a.

3.4.15 With appropriate training in mobility assessment, and with OTs in place in a senior role, some of the existing resource over and above the 7 f.t.e. identified in para. 3.2.3 could be re-directed to assessment of the most non-automatic applications and still generate financial savings.

3.4.16 The gross outsourcing cost can be more than offset by proposed government Blue Badge funding that is to be redirected from PCTs to boroughs from 2011. In addition, there is the current TfL S159 funding that some boroughs receive that can contribute.

Estimated Gross Assessment cost	Up to £150,000
Blue Badge funding*	-£220,000 to £330,000

*Blue Badge Reform Strategy Consultation Document - Spring 2010

Assessment Service Scheme Costs

3.4.17 It can be seen from the above tables that there is a significant reliance on GP endorsement, contrary to DfT Guidance. Moving to a robust assessment model will see a reduction in the number of applications that are approved that will, in turn, deliver financial saving to boroughs.

3.4.18 For the non-automatic Disabled Freedom Pass, those boroughs who currently rely on GP endorsement or customer services could see a reduction of up to 50% in approvals, resulting in a reduction in future expenditure for the West London sub-region of approximately **£70,000 p.a**.

3.4.19 There is a significant loss of parking revenue when Blue Badges are used fraudulently or stolen, or when issued inappropriately. Analysis of one of the sub-regional pilot boroughs has shown that, even when using conservative assumptions about revenue generation, the total income after the 3-year renewal of existing badges is in excess of **£100,000 per borough**. It is appreciated that this figure can be difficult to disaggregate from external factors that impact on parking revenue such as changes in parking charges and the level of retail activity, but it is supported by historic evidence from other boroughs.

3.4.20 As the number of Blue Badge holders reduces and there are fewer renewing over the 3-year cycle, the cost of future assessments will also reduce.

3.4.21 A robust assessment model would also deliver a reduction in Taxicard membership where there is currently a reliance on GP endorsement, with a consequential reduction in the TfL contribution, and if the TfL funding is redistributed, a reduction in borough expenditure in some boroughs.

ASSESSMENT SERVICES FINANCIAL SUMMARY

PILOT BUREAU	Saving p.a.
Single Mobility Assessment Service	-£150,000
S159 TfL Contribution	?
Non-automatic national Disabled Person's Freedom Pass applications	+£70,000
Non-automatic national Disabled Person's Freedom Pass review	Marginal assessment cost
DfT Blue Badge funding	£220-330,000
Blue Badge parking revenue	£200,000
Taxicard	Unquantified
NET SAVING	**£340,000 – £450,000 p.a.**

3.5 NON-FINANCIAL BENEFITS

3.5.1 The non-financial benefits from this strategy are summarised below.

3.5.2 **TfL Dial-a-Ride**

- Reduction in refusals as a result of increased resources available to meet demand and opportunity to sign post to other member services such as community transport

3.5.3 **Community Transport**

- Increased flexibility and reduction in refusals at peak times achieved through greater access to resources
- Increased income generated through Bureau members commissioning CT resources to supplement their own will, in turn, reduce the charged journey cost to users
- The Bureau will be able to provide an improved support structure to CT operators, particularly the smaller organisations, and could help initiate a future Social Enterprise model

3.5.4 **Local Authority Transport**

- Reduction in service user time spent on vehicles, achieved through increased utilisation and improved clustering, through sharing of routes with other Bureau members, such as neighbouring local authorities
- Development of Independent Travel Training to increase an individual's independence and enhance their life experience
- Increased flexibility achieved through access to greater resources, which in turn will support personalisation and 'choice matters'

3.5.5 **Health - Non emergency Patient Transport**

- Reduction in time spent on vehicles through increased utilisation and improved clustering following expansion of the service to transport other client groups such as ASC
- Reduced waiting times for hospital transport following increased access to resources
- Greater consistency of approach within sub-region

3.5.6 Generic Non-Financial Benefits

The following benefits would apply to differing degrees across Bureau members:

- Service User - Operational Benefits
  - Increased flexibility – supporting the personalisation agenda
  - Increased resources to manage peaks and troughs
- Service User - Assessment Service Benefits
  - single assessment for all transport schemes
  - less confusing service
  - schemes are able to be better used by those in most need
  - transferability across boroughs
  - single contact point for all travel schemes
  - consistent, transparent and fairer application of eligibility criteria
  - consistent appeals process
  - co-ordinated data management
- Stakeholder User - Assessment Service Benefits
  - Improved quality of decision making
  - Improved user perception of stakeholder service
  - Best practice model
  - Aligns with DfT recommendation and guidance
  - Fewer complaints and challenges
- Reduced CO_2 emissions
  - Reduction in the number of vehicles on the road
  - Reduced traffic congestion
  - Reduced call centre/administration energy consumption
  - Reduced vehicle production energy consumption

4. PROJECT SCOPE

4.1 This project focuses on proposals to improve the delivery of door to door passenger transport services across London and includes the requirements of the following stakeholders:

- Local Authority
  - Special Educational Needs (SEN) home to school transport
  - Adult Social Care Day Centre Transport
  - Ad hoc contracted transport requirements
  - Concessionary travel
    - Taxicard
    - Blue Badge
    - Disabled Person's Freedom Pass
    - Plusbus
- Community Transport
- NHS non-emergency transport

5. EXCLUSIONS

5.1 Whilst this project at present does not include fleet provision or maintenance, focusing only on the commissioning of passenger transport, it is acknowledged that the centralised procurement function could be expanded to incorporate the purchasing of fleet vehicles, maintenance contracts and parts (including fuel). This could deliver additional savings in this area of 10%, with 13 - 15% further cashable savings achieved if common specifications were developed for fleet vehicles.

5.2 This project does not include a consideration of any potential reconfiguration of the operational services that provide the broad spectrum of door-to-door transport across London.

5.3 This project does not include a consideration of emergency/blue light transport.

5.4 This project excludes a consideration of mainstream school transport.

6. CONSTRAINTS

6.1 With a project that includes a number of critical stakeholders come challenges in terms of decision making, achieving common ground, compromise and the pace of decision making. All too often with these type of projects the pace of change is set by the slowest, risking a loss in momentum and the project eventually running out of steam. The key issues are identified in section 14 and Appendix C – Risk Register.

6.2 It is therefore essential that like-minded organisations who share the same objectives come together to establish the sub-regional Transport Bureau. If unwilling parties are forced to join, the implementation programme will be put at risk, moving at the pace of the slowest and continually facing unnecessary delays in decision making.

6.3 Working across public sector boundaries will also bring difficulties in terms of timeframes. For instance, the London Boroughs and Transport for London having very different governance structures and decision-making bodies in terms of Boards, Cabinets, role of members etc.

6.4 With a requirement for cashable savings essential following the Government's October 2010 Comprehensive Spending Review, which saw significant cuts to Local Government funding, the London Boroughs will be keen to secure implementation quickly so that efficiencies can be delivered as soon as possible. This can be seen with the West London Alliance which is increasing collaboration in the delivery of passenger and fleet transport services within the sub-regional Transport Bureau model, irrespective of the outcome of the London Councils' Door to Door review.

6.5 There are also political hurdles that need to be overcome, particularly when developing shared services across local government and with other stakeholders. The boroughs within any sub-region may have differing political control, making a unified approach more difficult. The timing of the next Mayoral election is also likely to impact on the strategic direction of Transport for London and its Dial-a-Ride services, and therefore on support for service integration within the Transport Bureau model.

6.6 The pending White Paper on the future commissioning of health, with the potential move away from PCTs to GPs, could lead to a change in stakeholder from the PCT to the GP commissioning body. The interim period of change could also divert the attention of PCTs away from early engagement in the Transport Bureau model, despite the significant financial benefits to be gained.

6.7 The need for pump-prime funding has been discussed within the original report, however it must be considered here as a potential constraint on delivery.

6.8 Whilst Capital Ambition has announced that funding is available for the implementation of efficiency projects, this funding will only be available in 2010/11. If this project is not in a position to bid for monies before this time, funding will need to be identified from alternative sources such as European Grant funding. Alternatively an 'invest to save' business case would need to be prepared for each member.

6.9 There is potential for funding support through the London European Partnerships for Transport programme, however it is understood that the process can be lengthy and this would need to be taken into account in developing project timescales.

7. PILOT TRANSPORT BUREAU

7.1 Our report on developing the ITU concept recommends that Sub-Regional Transport Bureau should develop in an 'organic' fashion, with the management and contractual arrangements set up so as to enable other members in the area to join over time. Given the partnerships that already exist in parts of London we propose that initial discussions should be held with those groups in order to establish the potential for moving to the Bureau model. As stated in our report, it is important to the success of this project that like-minded and willing organisations are identified to drive this forward.

7.2 **West London Alliance Transport Efficiency Project**

7.2.1 The WLA is seen as a leader in the development of shared services in London. More established than other regional groups such as ELS, the WLA has already developed a Joint Procurement Unit for Adult Social Care which has seen efficiencies to date in the procurement of domiciliary care. This model is now being extended to include other areas of Adult Social Care and Children Services procurement.

7.2.2 The WLA has identified a number of areas where efficiencies could be achieved through increased collaborative working, transport being one area. The WLA together with the Royal Borough of Kensington and Chelsea commissioned Peopletoo to undertake a high-level analysis to identify the benefits of a collaborative approach for the delivery of passenger and fleet services across the boroughs.

7.2.3 As detailed in section 3.2.3 of the business case, this work identified savings in the region of £7.1m as a result of increased collaboration through areas such as centralised call handling, scheduling, assessment and procurement. The proposed delivery model for this was the establishment of a Transport Bureau.

7.2.4 The Chief Executives of the boroughs of Hounslow, Hillingdon, Brent and Ealing recently agreed to move to the next stage and to develop a detailed business case for presentation to their respective Cabinets. The London Borough of Hammersmith and Fulham has decided to move ahead with outsourcing its passenger transport service.

7.2.5 The target for implementation of the WLA Bureau is September 2011 in order to coincide with the new school year. It is critical to them that the London Council project does not impact on this proposed commencement date. Whilst at present the WLA model does not extend to include other organisations such as community transport, NHS or TfL, the WLA acknowledge the synergies that exist and therefore the additional savings opportunities through incorporating these parties. Initial discussions with the WLA indicate that they would explore the extension of the Bureau to other members after a period of stabilisation.

7.2.6 Brent Community Transport has been very supportive of this project and has contributed to the contents of this report in terms of data, views and wider discussions. BCT very much support the concept of the Transport Bureau and consider the benefits of this approach to be not only significant but essential to the future of Community Transport.

7.3 East London Solutions

7.3.1 The six London Boroughs that comprise East London Solutions (ELS) have identified transport as an area which it believes could deliver real efficiencies through increased collaboration between member authorities. An external consultant has been appointed to lead on development and they are keen to explore working with London Councils to establish a Transport Bureau at a sub regional level.

7.3.2 Exploratory discussions have been held with ELS, who have been supportive in gathering data on existing transport operations for the purposes of this business case.

7.3.3 ELS held a workshop in September 2010 with the representatives from each of the six boroughs responsible for either commissioning or providing transport within their authority. The objective of the workshop was to identify areas that would benefit from increased collaboration and how this might be developed. eo consulting and Peopletoo presented on the work undertaken through the London Councils Door to Door Strategy.

7.3.4 The findings from this initial high level analysis are detailed in 3.23 of this Business Case. These have been presented to ELS who are now considering how they move forward with this programme.

7.3.5 As part of this collaborative approach, the London Borough of Havering is exploring joint working with Barking, Havering and Redbridge University Hospital Trust in the scheduling of Patient Transport Services and the provision of other support services. This will make use of surplus capacity within the Havering fleet during school holidays and the middle of the working day and reduce unit costs.

7.3.6 The borough is also in discussion with TfL over the potential to use Adult Services vehicles to support Dial-a-Ride operations, where it is estimated that the use of one vehicle could deliver £45,000 p.a. to the borough, as well as improve service delivery for TfL.

7.3.7 Waltham Forest Community Transport has also been supportive and provided further data. They are keen to be involved, acknowledging the benefits of the Bureau approach.

8. KEY DECISIONS FOR THE BOARD

8.1 The key decisions which need to be considered by the Board are set out below.

1. 'In principle' agreement to proceed with the Door to Door report recommendations and with implementation of the Business Case. This will require individual stakeholders to secure their own internal agreements to proceed, for example by London Councils TEC and by TfL
2. Development of the Bureau as the comprehensive delivery model
3. Development of the Bureau on a 'modular' approach
4. Whether specific elements of the model, for example the combined assessment service, could be progressed independently, in the absence of agreement on other measures
5. Agreement on, and support for, the sub-regional pilots
6. Timeframes for both delivery of the pilots and the length of time the project remains as a pilot
7. Overall ownership for the strategy and the relationship between the Project Board, its stakeholders and the Transport Bureau
8. The extent to which the pilots and the ongoing sub-regional bureau are to work to a common model and to common standards, especially where any existing pan-London service could become fragmented to the sub-regional level

9. ASSUMPTIONS

9.1 Financial savings have been modelled on a sub-regional basis, as agreed by the Project Board in September 2010.

9.2 An individual business case will need to be produced for each stakeholder, for agreement through its own appropriate management processes, particularly where an 'invest to save' model is required.

10. RESOURCES

10.1 A Project Officer should be nominated from each of the proposed member organisations with the responsibility to produce a detailed business case for agreement by its own management and for presentation to the Project Board. This process should be overseen by a dedicated Programme Manager appointed by the members to bring the project together and act as an independent party (possibly using external support).

10.2 With regards to implementation of the Transport Bureau, it is proposed that a dedicated Project Officer is again nominated by each stakeholder to work with the Programme Manager to develop the detailed Bureau model at the sub-regional level. This will require co-ordinated input from member's Procurement, Commissioning, Contract, Legal, IT and HR Teams.

10.3 The Programme Manager will take responsibility for the actions detailed in the Project Plan in Appendix A; the critical areas of work including:

- Establishing the centralised Bureau
- Identification of co-location and software to be used
- Development of a fit-for-purpose scheduling tool
- IT requirements and system legacy integration
- Establishment of the call centre
- Establishment of the assessment centre
- Facilitation and added value to discussions in terms of alignment of eligibility policy
- Liaison with IT and Legal Services
- Installing of best practice procedures and processes
- Development of an appropriate procurement model
- Assistance with contract management for existing contractual arrangements
- Development and agreement of management information
- Development of detailed service level agreement
- Implementation of costing model
- Training

11. PROJECT GOVERNANCE

11.1 Transport Bureau Implementation Period

11.1.1 For the life of the project it is recommended that a Project Board should be established with representatives from each of the participating member's organisations. Representation should ensure that the group can be effective, acting as a point of escalation with the authority to make key decisions in order to deliver the outcomes as agreed within the Business Case. The Programme Manager will report to, and be accountable to, the Project Board.

11.1.2 Below the Project Board will be a Project Team (made up of the Project Officers) whose members will be key operational personnel (possibly part seconded) from each of the participating organisations. The role of this group will be to develop and implement the service level agreement to be adopted by the Bureau for sign off by the Project Board. The Project Team will be managed by, and accountable to, the Programme Manager.

11.1.3 Project assurance roles will be provided by representatives from the participating organisations. This will be clarified within the Project Initiation Document.

11.1.4 In addition, support will be required for the following services, to be determined by the Board:

- Procurement
- HR
- IT
- Legal
- Finance.

11.2 Ongoing Governance

11.2.1 As identified in figure 1 below, it is proposed that Bureau members remain separate organisations, retaining their own budgets and sub-contracting the services of the Bureau.

11.2.2 Day-to-day operations would be overseen by a Bureau manager appointed by the member organisations. A Transport Bureau Board would be established with representation from each of the member organisations, which would meet initially on a monthly basis, reverting to quarterly. This Board would act as an escalation body and would be responsible for the formulation of the medium to long-term strategy.

11.2.3 Within the Board structure, consideration will need to be given to the most appropriate method of ensuring the views of services users are taken into account, both within the established Bureau and during the change process itself.

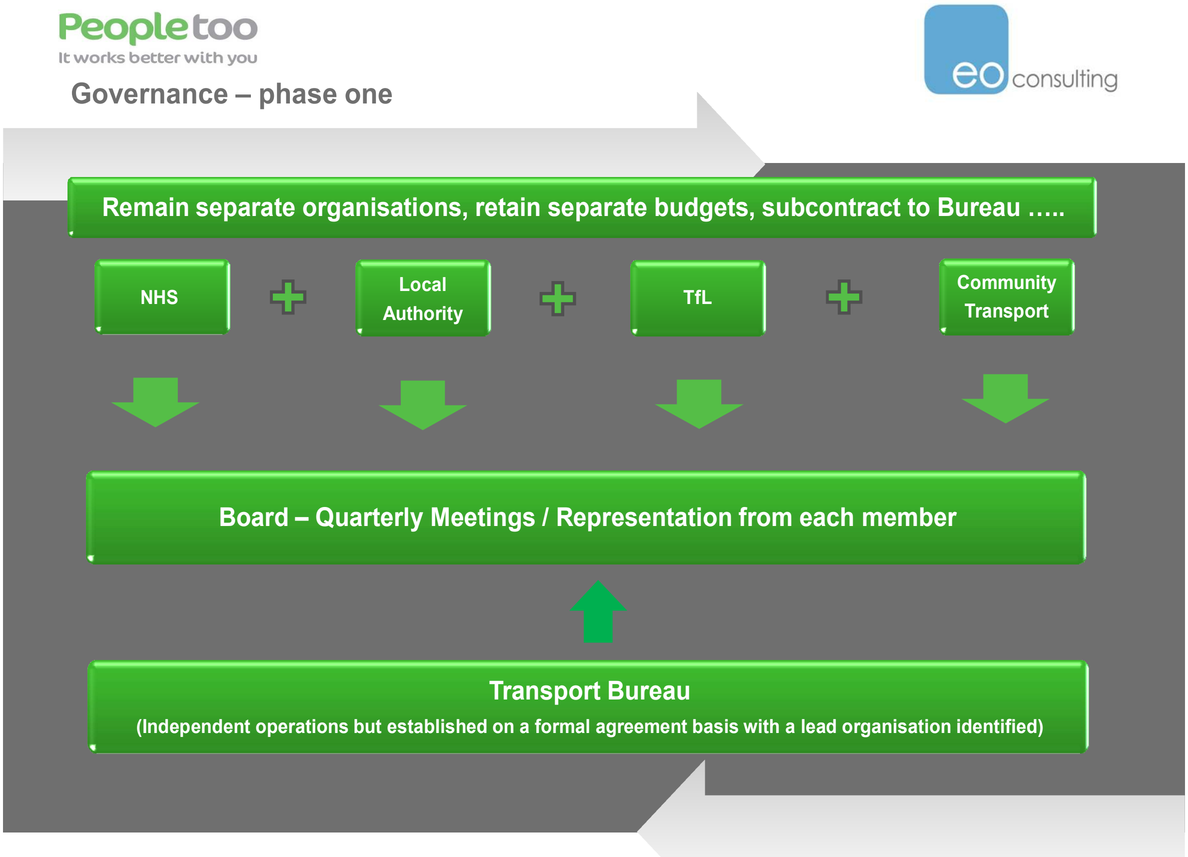


Figure 1: Transport Bureau Governance Structure

12. PROJECT PLAN

12.1 The Project Plan developed as part of the main report is included in Appendix A. This envisages a generic 15 month period through to the Transport Bureau going 'live'.

13. MEASURING SUCCESS

13.1 Key to the development of the sub-regional Bureau model and to the engagement of new stakeholders within any sub-region will be the ability to clearly demonstrate that the aims and objectives are being met.

13.2 A benefits tracker model has been developed and is included as Appendix B. It will be for each sub-regional Transport Bureau to develop the model to include baseline measurements, to determine appropriate targets to monitor performance against and to maintain ongoing use and development of the tracker.

13.3 This will vary according to the stakeholders initially engaged in each sub-region and in accordance with the demographics and services being provided. In addition, stakeholders will have their own targets and key performance indicators which will need to be maintained and applied at the sub-regional level. Stakeholders also undertake a variety of customer satisfaction surveys which will need to be considered within the multi-stakeholder bureau environment.

13.4 Indicators will need to be prepared for each stakeholder within a sub-regional bureau, as there will be differences in targets. For example, local authorities will look to the bureau to reduce the number of their routes, whilst Dial-a-Ride and Community Transport will be looking to increase their journeys.

13.5 For each identified benefit the following information is required:

1. Key Indicator
2. Measurement method
3. Baseline value
4. Target value and Trajectory profile targets
5. First measurement date
6. Forecast realisation date
7. Frequency of measurement
8. Indicator alignment: national, local or service specific
9. Tracked measured value

13.6 As described in the main report, it is recommended that there should be a formal evaluation every six months reported to the Bureau Management Board. However, the recommended frequency of measurement varies indicator by indicator, with some required monthly, some biannually and some annually.

14 RISK ANALYSIS AND RISK REGISTER

14.1 A comprehensive risk register has been developed and is included in Appendix C. This not only forms part of the business case but is intended for ongoing use by the Project Board as a 'live' project status report. It can be further developed during establishment of the sub-regional Bureau, where it would be monitored in conjunction with the implementation plan. Any areas of concern can be highlighted and rectified by the implementation group, escalating to the Board, where appropriate.

14.2 The Risk Register uses a RAG traffic light reporting system and identifies mitigating measures, where currently possible. This system allows for the severity of risks to be updated and attention brought to risks where the level of severity has increased, focusing the project group and Board on mitigating action.

14.3 The identified known risks are summarised below.

1. **Political landscape**. Following the local elections of May 2010, the political landscape across London has changed. It remains to be seen how London boroughs as a group, or how individual boroughs within any potential sub-region engage in the recommended strategy. Clearly, there remains the core requirement to deliver further financial efficiencies within the public sector.
2. **Stakeholder approvals**. Timescale required to obtain approval 'in principle' from all the stakeholders, although the bureau model is designed to be 'modular' allowing organisations to join in accordance with their own dynamics.
3. **Pump priming funding**. Difficulty in obtaining pump priming funding from the limited sources identified will require the bureau to maximise and build on existing resources and processes wherever possible.
4. **Pump prime funding**. The time required to obtain pump prime funding may exceed that available to establish a pilot or subsequent bureau.
5. **'Quick wins'**. A lack of 'quick wins' needed to maintain momentum and buy-in to the project, putting continued stakeholder engagement at risk.
6. **IT Systems Integration**. The complexity, cost and time required to integrate legacy systems between stakeholders.
7. **Community Transport grant**. Possible future local authority cuts in Community Transport grant will have a knock-on impact on the ability of the bureau to maximise utilisation and deliver savings.

8. **Taxicard budget**. If Taxicard usage is predicted to exceed available budget, boroughs will need to adapt budgets and/or user charges and entitlement, with potential impact on other concessionary travel services.

9. **Common eligibility policy and assessment processes**. Any difficulties in deriving common eligibility policies and assessment processes will impact on users. It will limit the ability of a sub-region to deliver integrated multiple service assessments across stakeholders.

10. **Service quality standards.** Maintaining common or improved service quality standards in the face of further financial pressures will require the bureau to focus on maximising the economies of scale.

11. **PTS commissioning**. Uncertainty over how PTS will be commissioned in the longer term, following the NHS White Paper. Awaiting further details following the autumn spending review.

12. **Consistent NHS PTS standards**. There is a benefit in having consistent NHS PTS standards within a sub-region bureau. Discussions should be held with LPP in their work to deliver multi-Trust contracts should be monitored. There is a potential local authority role as part of the NHS White Paper, as item 13 below.

13. **Borough social care functions**. A paper is due at the end of 2010 on the role of borough social care functions, as part of the recent NHS White Paper, which continues to promote the personal budget approach to commissioning and which sees local authorities as being responsible for:

    - Promoting integration and partnership working between the NHS, social care, public health and other local services and strategies

    - Leading joint strategic needs assessments, and promoting collaboration on local commissioning plans, including by supporting joint commissioning arrangements

14. **Personalisation agenda**. The as yet unknown impact on the future volume and passenger trip cost in commissioning transport operations will require flexible contracting arrangements.

15. **National concessionary bus pass scheme**. Any government amendments to the national concessionary bus pass scheme eligibility, entitlement and core funding could put additional pressures on door–to-door services.