

Agenda item	<b>22</b>
Report no	<b>EDI 21/17</b>

## HIGHLAND COUNCIL

**Committee:** Environment, Development and Infrastructure Committee

**Date:** 8 November 2017

**Report Title:** Transport Team Restructure

**Report By:** Director of Community Services

### 1.

#### **Purpose/Executive Summary**

- 1.1. This report proposes a new structure for the Transport Team that enables delivery of the Transport Review recommendations, as suggested by the Council's Redesign Board on 14 February 2017.
- 1.2. The proposals will also enable more efficient monitoring of public and school transport contracts to help manage the ongoing financial and budgetary pressures faced by the Service, and promote the development of, better engagement with, and support for Community Transport.

### 2.

#### **Recommendations**

- 2.1. Members are invited to:
  - i. approve the proposed structure for the Transport Services Team in **Appendix 2**; and
  - ii. note that the recommendation from the Redesign Board to transfer the budget and responsibility for home-to-school transport from Care & Learning to Community Services is being implemented and that a Service Level Agreement or Memorandum of Understanding is being developed to support this.

### **3. Background**

- 3.1. Transport is one of the key priorities for action emerging from the Highland Outcome Improvement Plan (HOIP). The provision of affordable transport solutions for Highland communities in tackling social exclusion, enabling access to employment and other key services, is a high priority for the Council.
- 3.2. The HOIP specifically focuses on addressing inequality, and transport has been identified by communities and partners as a key barrier in terms of lack of transport, cost and reliability. Initial areas for action have included a focus on the opportunities around community transport, raising awareness of existing options and services and developing the market for transport options within certain communities. Whilst the focus of the HOIP is around activity that can be taken forward in partnership, the Transport team will have a core role to play in supporting and delivering the Council's contribution to this key area of work for the Highland Community Planning Partnership.
- 3.3. The Highland Council has an important role as tendering authority for public transport contracts, provider of bus service infrastructure, co-ordinator of bus service publicity, provider of concessionary fares on public transport (not buses), grants for Community Transport projects, and provision of free home-to-school transport for eligible pupils. These services are currently provided by the Transport Co-ordination Unit situated in Community Services.
- 3.4. The Council spends £14.7 million per year on contracted services (home-to-school and public transport, including ferries), and a further £0.5 million on other activities, including support for community transport, concessionary fares and home-to-school parental expenses payments. There are 491 contracts in operation (excluding the other activities), the majority of which are for school transport. The salary cost (at the top of each grade) for the Unit is £309,000, or 2% of the cost of the services provided. The service struggles to provide sufficient capacity to ensure appropriate levels of provision or monitor the performance and effectiveness of the contracts.

### **4. Transport Redesign**

- 4.1. The Transport Review undertaken as part of Phase 1 of the Council's Redesign, reviewed the core activities undertaken by the Transport team.
- 4.2. Home-to-school transport provision is a statutory service and is achieved through a Highland-wide tendering process every 5 years, plus a small amount of in-house provision.
- 4.3. Public Transport is not a statutory service. It covers 3 aspects:
  - commercial services (Council has no control over routes or fares);
  - commercial with limited Council support (the Council contracts operators to provide additional journeys that otherwise would not be commercially viable); and
  - contracted services on wholly non-commercial routes. These services are also achieved through a Highland-wide tendering process. Many contracted routes are integrated with home-to-school transport provision, which gives efficiencies.

- 4.4. Community Transport is a non-statutory service whereby the Council provides grants to support Community Transport projects. The current value of these grants is £376k, and this supports 25 projects across Highland.
- 4.5. The Redesign review presented a series of recommendations which were approved by the Redesign Board in February 2017, the aim being to drive efficiencies and to deliver improvements in Community Transport and Engagement:
- transfer of budget and responsibility for home-to-school transport from Care and Learning to Community Services;
  - explore possibility of transferring the management and co-ordination of Highland Council minibuses fleet from establishment to central management;
  - further analysis of the home-to-school network;
  - review standard contract terms and conditions;
  - phase contracts as opportunities become available;
  - develop strategic/policy criteria to prioritise support for non-commercial routes;
  - develop a range of options for local transport delivery;
  - continue to support community transport; and
  - engage with communities to identify local priorities and develop service provision.
- 4.6. The Redesign Board recognised that, to progress the implementation of the above recommendations, the transport team would require to be strengthened.
- 4.7. The transfer of the budget and responsibility for home-to-school transport from Care and Learning to Community Services is being implemented. It is recognised there will still be a need for co-operation and understanding between the two Services which will be defined in a Service Level Agreement or Memorandum of Understanding.
- 4.8. This report recommends steps which will support the following Redesign aims:
- further analysis of home-to-school network;
  - review standard contract terms and conditions;
  - develop strategic/policy criteria to prioritise support for non-commercial routes;
  - develop a range of options for local transport delivery;
  - continue to support community transport; and
  - engage with communities to identify local priorities and develop service provision.
- 4.9. The consequences of a change in the management of minibuses (other than those used for home-to-school transport) and phasing of contract renewals are not included here, as these proposals will require further analysis.
- 4.10. The responsibilities of the Bus Operations Supervisor will also include the five driving posts (where drivers are employed for home-to-school transport) in Care and Learning.
- 4.11. Organisation of transport for pupils enrolled at school but attending college is under discussion with Care and Learning. Resource implications of this are not known at present.
- 4.12. The current Peer Group Grey Fleet review has identified a link between transport needs in rural areas and car club provision. Where these match with high Highland Council usage, there is potential for development of combined provision delivering social work, rural area, health-related and general transport needs. It is anticipated that this will develop into an additional work stream under the community transport

heading.

## **5. Existing Transport Team Structure**

- 5.1. The existing structure of the service and resources are shown in **Appendix 1**.
- 5.2. The Unit has been depleted over several years from the capacity to plan and manage public transport being squeezed, as responsibilities in school transport, community transport and team management have grown. As a result, efficiency and cost-effectiveness of the transport provision cannot be assured as things stand.
- 5.3. This review presents an opportunity to address this issue. For this to succeed it is necessary to have staff with appropriate knowledge and experience to work with understanding of the transport industry and to develop the skills, abilities and effectiveness of the whole team.
- 5.4. The risks to the service in not addressing these issues are:
  - savings not being made due to lack of capacity to plan them;
  - contract efficiency and value for money not being assured;
  - failure to adapt contract specifications to changing needs;
  - contract defaults not being identified and addressed;
  - complaints from operators about unequal treatment when contract monitoring is done, or about non-compliant operation by a competitor;
  - drivers who have not been PVG cleared being employed on school transport contracts, and of uncleared drivers not being discovered;
  - potential legal challenges (e.g. on equalities if there are service cuts, or duty of care to school pupils) not fully evaluated or safeguarded against;
  - responses to public complaints taking up more time and effort than preventative monitoring would have done;
  - inability to take advantage of new developments such as smart ticketing initiatives or new funding sources such as the Bus Investment Fund;
  - staff burnout leading to illness or departure; and
  - dependence on a single individual for some skills or knowledge, therefore vulnerability if that person is absent or leaves.
- 5.5. A staff workshop has taken place with the current transport team to consult on proposed changes to the team, and their views and comments have been taken on board.
- 5.6. The Council has recently introduced the LEAN process, and completed some service reviews which have led to improved efficiencies. As part of the restructure a LEAN review of the teams' processes will be undertaken.

## **6. Proposed Structure**

- 6.1. The proposed structure will address deficiencies in the existing structure and providing for new work recommended by Council Redesign. The proposed structure reflects the agreed priorities of the team covering Policy and Strategy, Contracts Management, Performance and Network Planning, and Community Transport and Engagement.

6.2. The following amendments to the structure are tabulated below.

Post Title	Grade	Annual Cost	Saving	Net Cost
1 Transport Officer	HC7*	£29,084	Improved contract management. +£40,000 Deliverable in 2017/18	£0
1 Transport Officer	HC6/7*	£29,084	Through development and implementation of Community transport schemes. Implement 2018/19.	2018/19 £25,000. 2019/20 £10,000 2020/21 £0
0.5 x Transport Assistant	HC4	£9,765	£8,000 – HiTrans payment £1,765 – (unused driver post). Implementation 2018/19 dependent upon agreement with HiTrans.	£0

\*Gradings shown are provisional, and subject to job evaluation.

6.3. **Appendix 2** shows the revised structure for the service.

6.4. The additional 0.5FTE Transport Assistant (HC04) would allow information management / timetable production to be taken back in-house from HiTrans. There would be a cost saving of around £8,000 per year in a reduced payment to HiTrans. This is currently under discussion with HiTrans, and implementation would depend on the outcome of this discussion. If successful this would be implemented in April 2018/19.

6.5. The balance of this post can be funded from reorganisation of the existing in-house driver posts by removing a remaining vacant element.

6.6. A staff member has been fulfilling the Local Transport Officer (North) role on a temporary basis (acting-up from Local Transport Assistant) since August 2017. In that time the post holder has implemented contract savings amounting to £46,400, and identified further possibilities. Savings include:

- deleting a route no longer required under our school transport policy;
- creating a parental expenses route instead of an addition to a contract; and
- combining two contracts into one and ensuring that payment is received for privilege places.

6.7. The creation of a third Local Transport Officer will enable this type of work to continue, and to relieve the Bus Operations Supervisor of work in Additional Support Needs transport which he has taken on, in order to concentrate on his increased duties in relation to in-house transport. Introduction in Q4 of 2017/18 would cost £9,271 and £29,084 thereafter.

6.8. The creation of a Transport Officer for community and engagement activities would support the Redesign Group's aim to 'Engage with communities to identify local priorities and develop service provision'. This could involve assisting with the introduction of new community transport projects, as well as supporting community participation in service planning and budgeting. To ensure the potential of the existing staff resources can be optimised, it is intended to implement the post in Q1 of 2018/19

after the LEAN review (para 5.6) has been completed and any efficiencies secured. It is anticipated that a saving of £5,000 would be deliverable in 2018/19. The additional resource will allow for development of further schemes with the post expected to be fully funded in 2020/21.

- 6.9. An example of the type of project which could be progressed through this additional post is the current work on the replacement for a commercial bus service providing commuter journeys from Culbokie to Inverness, which was withdrawn by Stagecoach. As a lower cost option to a conventional contract, discussions are being held with Ross-shire Voluntary Action with a view to introducing a commuter service using a minibus, which would be available to provide other community transport services in the off-peak times. Consideration is also being given to the inclusion of school transport where benefits could be secured. Setting this up requires a significant input of staff time in working with the voluntary group and agreeing operating parameters and financing. At this stage it is not feasible to define the exact savings however a figure of over £5k is possible.
- 6.10. Strengthening the staffing structure creates opportunities for savings across the contract network. Para 6.4 shows that the 0.5 HC04 would be fully funded. Information in para 6.6 illustrates potential for savings in the school transport network. The provision of two new posts at HC07 would cost approx. £58,000, or 0.5% of the services cost. The savings of £46,400 identified to date demonstrate that it is possible to fund at least one post via improved contract management. Applying the same approach to across all 491 contracts is expected to deliver further savings fully covering the staff costs whilst also delivering additional ongoing savings to the Council. These types of opportunities can be progressed if there is the capacity to do so, which at present is simply not possible

## **7. Implications**

- 7.1. **Resource**  
These proposals entail increased salary costs as outlined in the report. In 2017/18 the costs will be recouped by efficiencies made in contract operations. For 2018/19 the costs will be recouped by further contract efficiencies and development of community transport as an alternative to commercial sector contracts where appropriate, maximising income from 'privilege' places for pupils on school transport, and a potential saving in the contribution to HiTrans for information provision.
- 7.2. **Legal**  
There are no known Legal implications arising from these proposals.
- 7.3. **Community (Equality, Poverty and Rural)**  
These proposals will support community engagement and participation in the area of passenger transport.
- 7.4. **Climate Change / Carbon Clever**  
By supporting availability of public transport, these proposals will make a contribution towards reduction of carbon emissions.
- 7.5. **Other Risks**  
These proposals are designed to reduce the risks detailed in paragraph 5.4.

7.6. Gaelic

There are no Gaelic implications arising from these proposals.

Designation: Director of Community Services

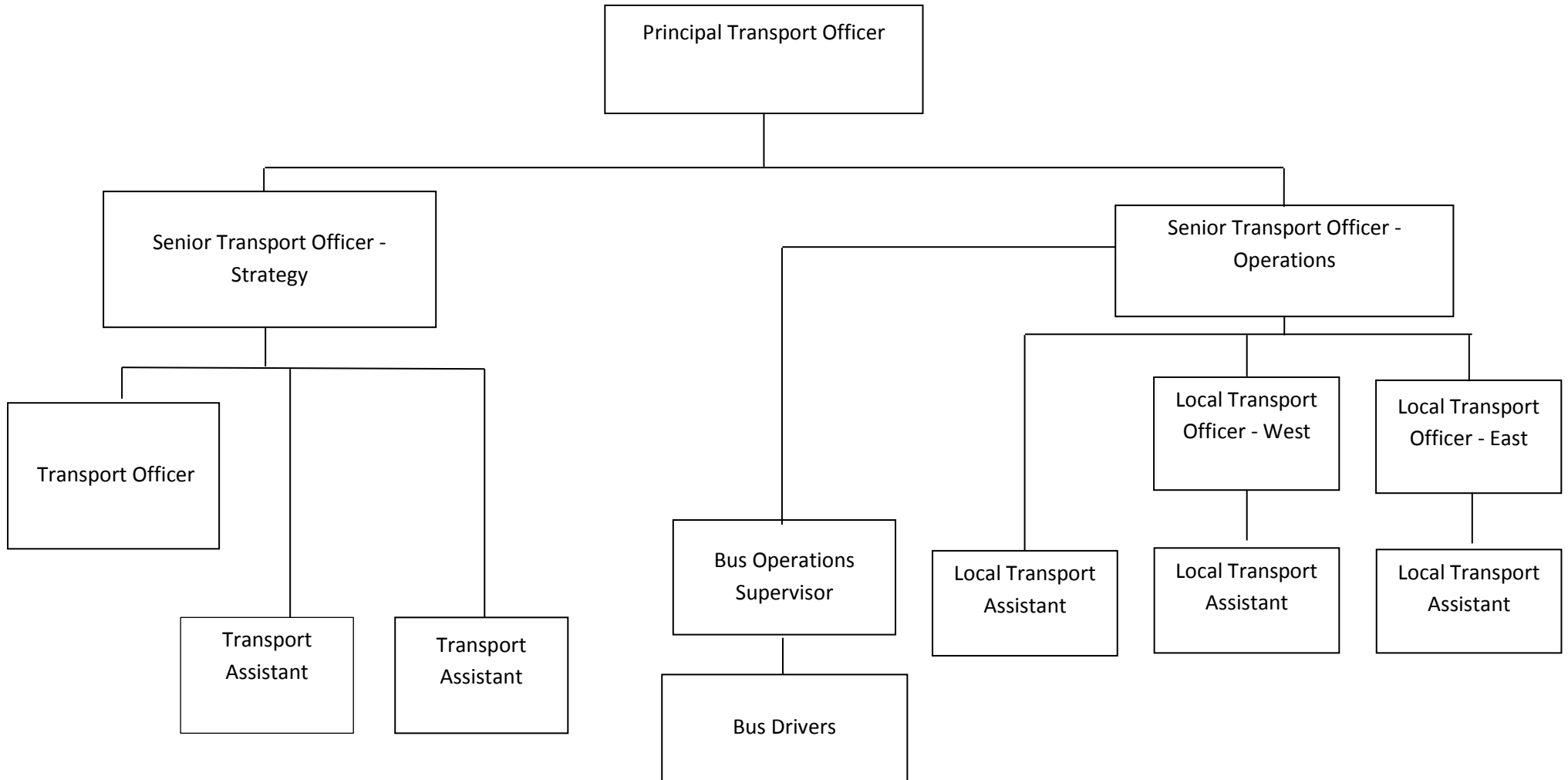
Date: 3 November 2017

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Background papers: Transport Redesign Report  
Highland Outcome Improvement Plan

**COMMUNITY SERVICES - ROADS AND TRANSPORT**

**EXISTING TRANSPORT TEAM**





**COMMUNITY SERVICES - ROADS AND TRANSPORT**

**PROPOSED TRANSPORT TEAM**

