

Report to: Financial Monitoring Task Group
Report from: Cormac Stokes, Head of Street Scene and Waste

Date of Meeting: 5 November 2015

MERTON TRANSPORT SERVICES

1. Background

Merton Transport Services procure, manage and control the fleet for a wide number of internal customers, including Street Scene and Waste, Parking, Enforcement, Bailiffs, Parks and Leisure, and the in-house passenger fleet.

The Section also provides passenger transport services either through commissioned taxi providers or the council's own in-house fleet.

The Transport Services Manager is the holder of the authority's Operator's Licence, enabling the Authority to legally own and operate the Refuse collection vehicles and all vehicles over 3.5T gross weight. The TSM is responsible in law for all aspects of the safe and legal operation of the freight fleet.

2. Passenger Transport

Our current key passenger clients are vulnerable adults and children, directed to the service via the Community & Housing and Children, Schools and Families (SEN) Departments and SEN. We currently have no direct contract with the passenger; our contract is through Service Level Agreements with the client departments allocating the work.

We currently carry in the region of 500 passengers each day, equating to in excess of 2 million individual passenger journeys each year, allowing for school holidays. These passenger journeys are made through a variety of in-house buses and external taxi providers procured through a four-year framework.

2.1 Taxi provision

We currently commission taxis through a joint framework recently procured with Sutton, Richmond and Kingston. This procurement ensures that quality standards can be met by our approved suppliers and that the costs for service provision are tested in the market.

Within these parameters it is believed that the service can demonstrate that it is securing value for money in terms of approved quality standards at competitive prices as each route is individually mini-tendered and the best price offered is taken.

We are reviewing our approach to the taxi framework procurement as we have found that frequent retendering may not be cost effective. Taxis want a commitment from us that they will transport the client for the complete time they are at school. If they feel they are getting for example 4 years work they are more likely to keep the price the same.

Snap shot of passenger numbers (Taxis)

	January SEN/college 2014	January SEN/college 2015	January Adults 20
Number of Sch/destinations	95	92	
Number of Taxi routes	154	158	
Solo Taxi due to Client Needs	48	61	
Solo Taxi due to Location	59	57	
Wheel Chair clients (accessible vehicles)	26	15	
Number of Escorts	94	103	
Number of Clients	264	245	
Trips	4955	5270	10
Total passenger journeys in the month	41461	52270	91

Assuming that this is a fairly average month, and allowing for schools and colleges travelling for 9 months of the year and adults travelling for 11 months of the year, this equates to over 560,000 individual passenger trips provided by taxi in 2014/15.

2.2 In house bus service

The service runs its own in-house passenger transport service through a mix of 16 and 24 seat buses and mini-buses. This provision enables the council to transport multiple clients to agreed locations at lower cost than external taxi providers.

The table below sets out the number of routes being managed and the utilisation of the buses with respect to passenger numbers.

Utilisation figures for 2012 to 2015

LBM Buses SEN	Jan 12	Jan 13	Jan 14	Jan 15
Number of routes	20	22	21	21
Number of passengers carried each trip	147	165	168	165

Average number of passengers per vehicle	7.3	7.5	8.0	8.2
LBM Buses C&H	Jan 12	Jan 13	Jan 14	Jan 15
Number of routes (includes Woodlands)	14	14	11	11
Number of passengers carried each trip	156	133	114	103
Average number of passengers per vehicle	11.1	9.5	10.4	9.4

The table below provides details of the total number of “passenger trips” provided over the past two years. In both cases there has been approximately a 7% increase in the number of passenger trips since 2013/14.

	Sept 13 – July 14	Sept 14 – July 15
SEN	657,880	703,860
Adults	703,860	752,000

3. Financial Information

The following tables set out the current costs of running both the in-house passenger transport service (Core Routes) and for the provision of external taxis.

Costs of Core Routes

Department	SLA Cost 14/15 £s	SLA Cost 15/16 £s	Change in cost £s	Overall effect on average cost per trip £s	Comments
C&H	886,800	716,360	-170,440	-28	Costs quoted include Woodlands SLA services.
CSF	1,343,070	1,411,660	68,590	-7	the overall increase in cost was the introduction of two new core routes. (Perseid)

Costs of Taxi Provision.

Total taxi spend	SEN Schools	SEN Colleges	C&H Adult Care	Children Social Care	TOTAL TAXI SPEND
2013/14	2,114,141	159,931	376,142	146,556	2,796,770
2014/15	2,428,438	40,901	306,096	108,769	2,884,204
2015/16 (ESTIMATED)*	2,876,010	100,000	220,620	39,283	3,235,913

*Estimate based upon Period 6 client returns

4. Forecasts for the future.

Demographic changes will mean that there are more elderly persons requiring support, and an increase in the numbers of young people of school age. In addition to the pressures this will put upon C&H and CSF, there will be a pressure upon the demand for specialist transport. The improvements in medical technology and processes means that clients with more complex conditions, who would previously have been unable to live in the community, are able to live more independently and will require increased access to specialist transport to enable them to take a full part in community life.

The client departments continually look to alternative transport options to manage demand more effectively (for example, Independent Travel Training and direct budgets) and this is impacting on the Transport Service's ability to plan ahead in terms of understand future projections of passenger numbers. However, the service is working closely with SEN and C&H to determine the potential impacts in the future.