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# Achieving efficiencies in public transport delivery: The role of Local Integrated Transport Services (LITS)

## 1 Overview

This paper presents the findings of a review of the Local Integrated Transport Services Pilot Scheme which has taken place in a selection of rural communities in Ireland. This pilot scheme was conceived from a need to reduce public transport spending in the context of the wider economic crisis. It is based on the assumption that efficiencies could be achieved by better integration of all government supported transport services which have traditionally operated in isolation.

The case study has relevance to Northern Ireland given the commonalities in transport provision across both jurisdictions: Both are serviced by a government owned, commercially operated public transport company while government support is given for the provision of home-to-school and non-emergency health services. In addition, the unique geography on the island of Ireland has meant both jurisdictions have become heavily reliant on the community transport sector to service those people to whom mainstream public transport is not accessible.

## 2 Background and context

Public transport offers significant social, economic and environmental benefits, but providing a public transport system that is fit for purpose requires substantial levels of government support. Invariably public transport is not sustained on fare income alone and across Europe levels of subvention range between 20% and 60% of the network operating costs.<sup>1</sup> In addition to subsidising mainstream public transport, governments commonly provide support for home-to-school, medical and rural transport services.

Government investment in public transport directly impacts the quality of service, which in turn determines usage. In Northern Ireland investment in public transport has traditionally been low and despite a significant increase in funding following the publication of Northern Ireland's Regional Transportation Strategy (2002), on a per capita basis, England, Scotland, Wales and the Republic of Ireland have been investing at least twice as much as Northern Ireland.<sup>2</sup>

The increased funding has had a direct impact on passenger numbers with Translink reporting strong growth in passenger numbers, albeit from a low baseline. However, a reduction to the most recent block grant has resulted in fewer resources being available for public transport throughout the current budget period.

Cuts to public transport spending at this point threaten to disrupt the increase in passenger numbers achieved to date, as passengers will be faced with increased fares and the possibility of a reduced service. The Department for Regional Development (DRD) is therefore faced with the challenge of improving the quality of public transport services and attract more passengers while increasing productivity, reducing costs and cutting subsidies.

The revised Regional Transportation Strategy (2012) states that one approach to achieve this is to better integrate existing transport services to achieve operational efficiencies.<sup>3</sup> This suggests that the Department for Regional Development, who are ultimately responsible for transport policy and delivery, will engage with the Department for Education (DE) and the Department for Health Social Service and Public Safety (DHSSPS) given that these two departments are also engaged in the delivery of significant transport operations (home-to-school and non-emergency medical transport, respectively).

### 2.1 Transport funding in Northern Ireland

The Northern Ireland Executive, via the Department for Regional Development (DRD) provides Translink with around £70 million per annum in resource funding,<sup>4</sup> including £20m in annual subsidy to enable Translink to meet its Public Service Obligations

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<sup>1</sup> (EMTA) European Metropolitan Transport Authorities (2008) 'Finding new resources for public transport'. *EMTA Brief* [online] available from: <http://nia1.me/no>

<sup>2</sup> RICS (2011) *Public transport spending must be prioritised*. Published 30 June 2011 [online] available from: <http://nia1.me/ui>

<sup>3</sup> DRD (2012) *Ensuring a Sustainable Transport Future: A New Approach to Regional Transportation* [online] available from:

<sup>4</sup> Translink (2012) Evidence given to Committee for Regional Development 16th April 2012

(PSO) and a further £34m in concessionary fare reimbursement.<sup>5</sup> Translink generates approximately £75m in fare income.<sup>6</sup> DRD also administer the Rural Transport Fund and the Transport Programme for People with Disabilities which attract funding of £3m and £4.6m respectively.<sup>7</sup> The Executive also provides capital funding to Translink.

Home to School Transport (HST) is provided by DE at a cost of £74m (2008/2009) with around 30% of pupils receiving free HST. HST is delivered by a number of providers, with 65% of pupils carried by Translink, 27% by Education and Library Board (ELB) buses and 8% by private operators. Furthermore, £7.8m was spent on carrying just over 3,000 pupils in taxis in 2008/09.<sup>8</sup>

DHSSPS has a statutory duty to provide transport to enable eligible people to receive health and personal social services. In 2005 this was estimated to cost £30 million per annum.<sup>9</sup>

### 3 Transport funding in Ireland

The Irish government provides annual financial support in excess of €270 million for the delivery of local transport services, including €45 million for the provision of public service scheduled services by Bus Éireann, €186 million (in 2010) for the School Transport Scheme (including direct grants to parents, provision of escorts and more specialised taxi/adapted vehicle transport for children with special educational needs), €29 million for taxi services for non-acute medical transport and €12 million for the Rural Transport Programme.<sup>10</sup>

#### 3.1 Towards integrated service delivery

At the beginning of 2008, in the context of the wider economic problems, escalating costs, and declining passenger numbers the Irish Minister of Transport commissioned a '*Cost and Efficiency Review of Dublin Bus and Bus Éireann*', the Irish State's two primary bus service providers.<sup>11</sup> The review, carried out by Deloitte & Touche (between 2008 and 2009), recommended that Bus Éireann should explore further opportunities for integration with other transport services such as schools, Rural Transport Programme (RTP) and Health Service Executive (HSE) services.<sup>12</sup>

Following the publication of the report in January 2009, the Minister for Transport requested that Bus Éireann and the RTP work together with these other key

<sup>5</sup> Translink (2011) *Corporate Plan 2010/11 - 2012/13 and Business Plan 2010/11* [online] available at: <http://nia1.me/ud>

<sup>6</sup> Translink (2012) Evidence given to Committee for Regional Development 16<sup>th</sup> April 2012

<sup>7</sup> Department for Regional Development – Direct Correspondence

<sup>8</sup> Department of Education – Direct Correspondence

<sup>9</sup> DHSSPS (2007) *A Transport Strategy for Health and Social Services in Northern Ireland* [online] available from:

<http://nia1.me/uk>

<sup>10</sup> MVA Consultancy (2011) *External Review of the Local Integrated Transport Services Pilot Project*. LITS Central Steering Committee [online] available from: <http://nia1.me/gw>

<sup>11</sup> Dublin Bus and Bus Éireann are commercial Semi State Bodies within the Córás Iompair Éireann (CIE) group.

<sup>12</sup> Deloitte and Touche (2009) *Cost and Efficiency Review of Dublin Bus and Bus Éireann* [online] available from: <http://nia1.me/n8>

stakeholders to explore the opportunity for an integrated approach to public transport provision, bringing together aspects of HSE transport, school transport, the RTP and other transport services. The overall aim was to reduce duplication and costs while increasing efficiency and maintaining service provision.

### 3.2 Local Integrated Transport Services (LITS)

The desire to deliver efficiencies and maintain services led to an innovative pilot project: *The Local Integrated Transport Services (LITS) pilot project*. The LITS project was progressed through a partnership approach involving Bus Éireann, The Rural Transport Programme (managed by Pobal), the Health Service Executive (HSE), the Department of Transport (DoT), the Department of Education and Skills (DoES) and the Irish Wheelchair Association who provide transport for people with disabilities.

The primary aim of LITS is to examine how the partners “...*could work together to achieve greater synergies, meet identified transport needs and deliver increased value for money for the exchequer*”.<sup>13</sup>

A number of core objectives were identified for consideration within the LITS pilot initiative:

- How to identify and meet local transport needs. ;
- How to maximise the level of service provided by the current transport networks through improved resource utilisation and co-operation;
- How to provide a greater and more integrated level of service at a lower cost, while ensuring that health and safety and the needs of the most excluded are not compromised; and
- How to ensure that the partner groups can benefit from increased pooling of knowledge and skills, and foster increased integration and co-ordination between planning and IT systems.<sup>14</sup>

### 3.3 The pilot

Two areas were identified in Louth/Meath and Sligo/Leitrim, within which pilot projects would be developed in partnership between the bodies described above. Stakeholders agreed four to five priority actions within each of the pilot areas that would meet the LITS objectives and could feasibly be progressed within a short timeframe.

Critical to LITS was that pilot projects were implemented within existing resources and without significant additional funding streams. The projects were not without cost; rather the costs incurred were met through the reallocation of existing financial resources or through improved efficiency.

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<sup>13</sup> Pobal (2010) *Rural transport programme: performance and outcome report 2010* [online] available from: <http://nia1.me/uj>

<sup>14</sup> Ibid

### 3.3.1 Types of services

Based on these terms of reference, and within the resource and time constraints a number of different opportunities for integration were identified. These included:

- Collect and Connect – Passengers access local services which bring them to an interchange point from where they can transfer and connect to scheduled services;
- Hospital Feeder Services – passenger services are planned and coordinated to provide access to local hospitals;
- HSE voucher scheme was devised to increase the use of existing transport services for people meeting HSE out-patient appointments;
- Ticketing Integration (between Bus Éireann and RTP providers) ;
- Co-ordinated information provision and journey planning;
- Increased synchronisation of partner systems and processes e.g. training, procurement of services and materials, IT utilisation and marketing;
- Co-ordination of disability transport services; and
- Co-ordinated policy development.

### 3.3.2 Outcomes – Limitations

The review of the LITS scheme points to the two major constraints of time and resources as the most significant challenges faced in the pilot schemes. However, despite these many of the pilot projects continued to operate, demonstrating their long term potential.<sup>15</sup> Other barriers to LITS pilot included difficulties arising from varied working practices and external limitations, for example:

- The level of information available on the transport needs of target groups varied from partner to partner. In some instances, a lack of information on transport needs created challenges for the planning or new service structures.
- The piloting of projects involving integration with school transport services was not possible within the pilot phase. The timeline for LITS, with implementation of pilots in October, did not coincide with the school transport programme planning timetable. Furthermore, taking into account the child protection guidelines, mixed school and general transport services are not a feature of the school transport scheme.
- Passenger inability or aversion to transfer was considered to be a barrier to the success of collect and connect services. Often the bus stop infrastructure in rural areas is limited and this complicates the ability of passengers to transfer as would be required for the operation of collect and connect services.
- The structure of the HSE transport management did not facilitate the development of integrated transport services within the timescale of the pilot. There is no

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<sup>15</sup> MVA Consultancy (2010) *External Review of the Local Integrated Transport Services Pilot Project*. LITS Central Steering Committee [online] available from: <http://nia1.me/gw>

discernable transport policy within the HSE and transport is organised in different ways by different departments in different locations.

- A large number of HSE staff are involved in transport issues, but there is no designated transport coordinator or similar. The provision of transport is not a primary function of the HSE, although the need for transport to facilitate access to out-patient appointments and healthcare is recognised.
- The differing standards applied to Public Service Vehicles and own account operators prevented the LITS partners from piloting brokerage schemes where resources, including vehicles, are shared between a number of groups.<sup>16</sup>

### 3.3.3 Outcomes – benefits

The review points to increased communication levels between the different partners as one of the greatest benefits of the schemes. Even in the cases of HSE and school transport services, where the financial and time constraints of the pilot limited its effectiveness, there was recognition that this joined up working had great potential and should continue.

*It is recommended that elements of the School Transport Scheme Guidelines be reviewed in the context of developing policy that will support the future integration of school transport with general public transport and health services transport. This process should be led by Bus Éireann which operates the school transport scheme on behalf of the Department of Education and Skills and linked to the Interdepartmental Working Group.<sup>17</sup>*

*It is recommended that HSE Transport Policy be reviewed in the context of developing a policy that will support the future integration of transport to healthcare with other transport services.<sup>18</sup>*

Partners found this new means of communication to be the main benefit of the scheme. Communicating with each other offered better opportunities for integration through the sharing of operating and timetable information. This also enabled them to identify where there was a degree of overlap in rural transport provision and, importantly, where gaps existed. This brought benefits to both service providers and users:

*The LITS partners gained a strong understanding of the specific needs of passengers through knowing how those needs were being met by specific types of transport. Similarly, those who provide for specific needs, such as the Irish Wheelchair Association, learned how other transport operators had the capacity to fulfil those needs too.*

<sup>16</sup> MVA Consultancy (2010) *External Review of the Local Integrated Transport Services Pilot Project*. LITS Central Steering Committee [online] available from: <http://nia1.me/gw>

<sup>17</sup> Ibid (page

<sup>18</sup> Ibid (page

### 3.3.4 Current status

The review recommended that the delivery of coordinated and integrated transport services should be further explored. In December 2010, the then Minister for Transport approved the continuation of LITS in a focussed manner and in accordance with an overall strategy.

Work in that regard is now proceeding and despite a change of Government the LITS project will continue. Addressing the Seanad Éireann in September for 2011, Minister of State at the Department of Transport, Tourism and Sport (Deputy Alan Kelly) stated that:

*Arising from the local integrated transport services, LITS, process it is clear that the future direction of rural transport needs to be part of wider integrated local transport services in the country. It is also clear that the delivery of a co-ordinated and integrated transport service should be further explored and developed. Work is proceeding in that regard and is a top priority of mine.*

Addressing Dáil Éireann in January 2012 Deputy Kelly reiterated his commitments to LITS:

*Through greater integration, we hope to provide a better service. This will require the coming together of many agencies and Departments, which will be a serious programme of work. However, 2012 is the year we hope will be the year when the back will be broken in relation to this work so that we can deliver better services into the future.*

In March 2012 a further pilot was launched. This is run by The National Transport Authority (NTA) which has assumed a national role for integrated local and rural transport. A new high-level committee will be established by the Minister to oversee the pilots and the future integration of services, it will consist of representatives of National Transport Authority, Department of Education, Department of Health, Bus Éireann HSE, Local authorities, Rural Transport Groups, Pobal and the Department of Transport, Tourism & Sport.

*“The pilots will be designed to identify the optimum way to deliver a strong, co-ordinated service and bring good value for money for the taxpayer”.*

## 4 Transferability and key lessons

There are a number of similarities in the way public transport is delivered in both Northern Ireland and Ireland, with the rurality of the island providing a unique challenge

for transport planners. There have been calls from a number of stakeholders in recent times for a 'joined-up-government' approach to tackling the issue of transport provision.

For example, the Community Transport Association (CTA) has asked the Committee for Regional Development to "...investigate how through a partnership approach or sharing of investment 'access to Health' can be resolved for isolated rural people or people who have difficulty using public transport".<sup>19</sup>

According to the CTA community transport providers have been put under tremendous pressure by social workers and other health care professionals to deliver non-emergency patient transport. However, current funding arrangements preclude this from happening as community transport funding is provided by DRD under the RTF which has strict guidelines, requiring vehicles to be available within their designated geographic area to facilitate all user needs as far as possible.<sup>20</sup>

#### 4.1 Health Transport

Non-emergency patient transfers are the responsibility of DHSSPS, although its own transport strategy suggests that it is not its responsibility to provide transport to outpatients:

*"As a general principle, patients should be expected to make their own way to hospital, either using their own transport, or that of friends and relatives, or by using a number of schemes that exist to help people who have transport difficulties."*

The DHSSPS lists these schemes:

- private ambulance operators;
- voluntary ambulance operators;
- volunteer car drivers;
- taxi operators;
- Door 2 Door Transport services; and
- community transport charities.

However, DHSSPS do not provide any grant funding for the delivery of any of these schemes.

It is DHSSPS policy to provide transport to those with a medical need:

*"Eligibility for access to non-emergency transport services is based on medical need as determined by a medical practitioner. The definition of medical need is: Where the patient's condition could be significantly*

<sup>19</sup> Kellie Armstrong , Director of Northern Ireland Community Transport Association, Regional Development Committee 29<sup>th</sup> February 2012

<sup>20</sup> AQW 9282/11-15



*worsened if there were a failure to provide transport or, where the patient's condition is of such severity that it renders them unfit to travel by any other means, except non-emergency ambulance transport, or some other form of non-emergency transport".*

However, non-emergency transport may be provided to hospitals where there is an assessed need in terms of mobility, rural isolation, and/or financial hardship.

The objective for non-emergency transport provision for patients is to enable them to attend appointments safely and on time, and thus help reduce the number of appointments missed due to a lack of appropriate transport, yet Northern Ireland has the highest non-attendance rates for clinical appointments in the UK.

Data from DHSSPS shows that patients missed a total of 172,877 appointments during 2009/10, at an average cost of £100.<sup>21</sup> Based on these figures the cost of missed appointments to DHSSPS is over £17m per year therefore, there is considerable value in exploring avenues to reduce this waste.

The LITS pilot has shown that a partnership approach facilitates better communication among different stakeholders. This has allowed for more focused services which are based on user need. The Hospital feeder Services and voucher schemes are good examples of this integrated approach.

Clearly there is a need for dialogue around the provision of non-emergency patient transport. The main participants in such discussions would include the HSC trusts and the community transport providers to determine service parameters while the DHSSPS and DRD would be responsible for resolving issues around the RTF conditions and transport policy/funding.

## **4.2 Home to School Transport**

The scale and detail of home to school travel has been discussed. Analysis of the costs of HST services shows significant variation in the cost per pupil journey across providers. The cost for Translink services – Ulsterbus and Metro, are significantly lower than all other providers. This could suggest Translink is able to achieve greater efficiencies, given public transport provision is their primary function, and demonstrates that there is scope for efficiency savings in HST.

This figure is strictly indicative however, if the 27,236 pupils carried annually in ELB vehicles were transported on Translink services, or the cost of this service was the same as on a Translink service, a saving of £8.6 million could potentially be realised.

Bus Éireann are contracted by the DoES to provide the HST service in Ireland, with the simple rationale that this is their area of expertise. This type of approach has the

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<sup>21</sup> DHSSPS (2010) Northern Ireland Hospital Statistics; Outpatient activity 2009-10 [online] available at: <http://nia1.me/t9>

potential to offer efficiencies in terms of procurement of goods (fuel) and services (engineering and maintenance) and well as having significant potential to reduce capital costs (vehicle purchases).