



Environment & Transport Select Committee
15th September 2011

Business Travel Impacts – Scoping Report

Purpose of the report: Scrutiny of Services and Budgets

This report provides an overview of current business travel costs and impacts, and an update of work underway to manage costs and impacts, as the basis for the Committee to consider further work required.

The scope of this report is business travel, undertaken by staff and members using their own vehicles or public transport. The report does not cover the impacts of travel undertaken using the Surrey County Council vehicle fleet and commuting journeys by staff.

Introduction:

1. In 2010/11, staff and member business travel cost the County Council £5.1m¹. The County Council is committed to reducing the costs associated with business travel as a contribution to corporate budget reduction targets.
2. Measures to reduce business travel impacts also have the potential to tackle congestion and reduce wider environmental impacts.
3. The programme of office moves, along with the provision of IT to enable remote working, can assist in reducing business costs and wider impacts. The corporate 'Making a Difference' initiative aims to identify and make the most of these inter-dependencies, so it supports the Corporate Travel Plan.
4. The County Council's Travel Plan was approved by the Corporate Leadership Team in October 2010. The Travel Plan has set a target to reduce business travel costs - the sum of mileage, lump sum, pool cars and public transport - by 28% by 2013/14, from a 2009/10.

¹ Comprised of travel expense claims and lump sum payments.

5. The travel plan also has a corresponding target to reduce CO₂ emissions from business travel by 28% by 2013/14, from a 2009/10 baseline of 3,318 tonnes.
6. Lastly, the plan has a target to reduce the number of people driving to work alone by 10%, from a 2009/10 baseline of 68%.
7. This paper sets out the current costs associated with staff and member business travel and considers the wider impacts. It then outlines work currently underway to address business travel costs.

Business Travel Costs

8. There are a variety of direct costs associated with staff business travel as set out in table 1 below.

Table 1: Staff Business Travel Costs Summary 2009-11

	2009-10	2010-11	Change from previous year	% change
Total business miles claimed	8,443,538	8,614,222	170,684	2%
Cost of mileage claims ¹	£ 3,457,116	£ 3,626,954	£169,838	4.9%
Lump sum payments ²	£ 1,163,798	£ 1,204,917 ³		
Total mileage and lump sum	£ 4,620,914	£ 4,831,871		
Public transport claims	£196,156	£ 251,080	£54,923	28%
Total cost of business travel	£ 4,817,070	£ 5,082,951	£ 265,881	5.5%

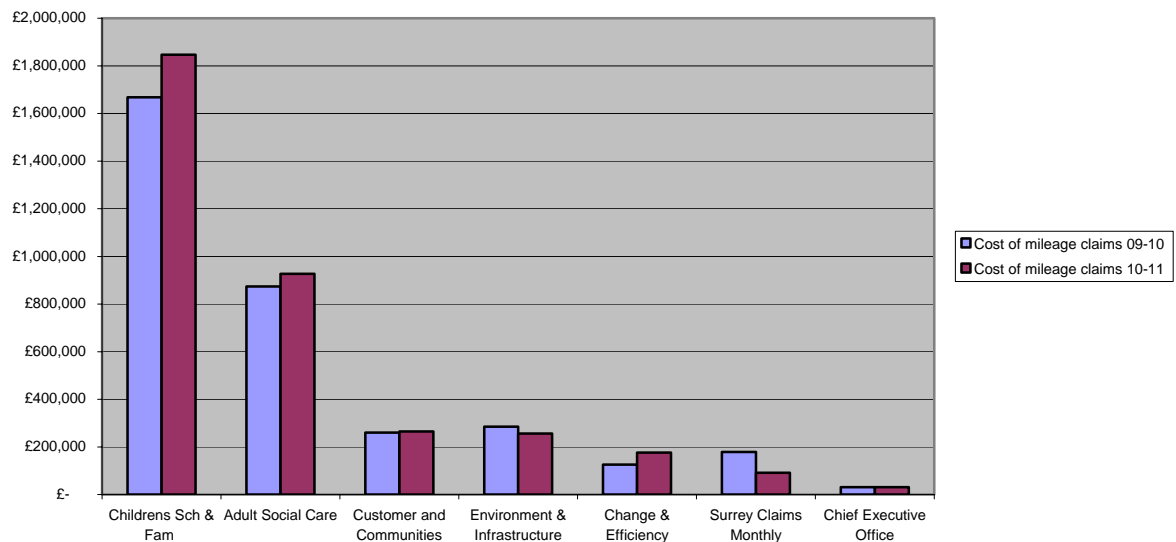
Notes:

1. Business mileage rates are 40p for cars, 23p for motorcycles and 20p for cycles. An additional 5p per passenger per mile can be claimed for car-sharing
2. Contractual car users can claim between £380 and £460 p.a. to contribute to the cost of car ownership. Non-contractual car users can claim the lump sum if they drive in excess of 1,500 business mile p.a.
3. This figure is for claims made up to 26.08.11. Staff can submit a claim at any time after the year-end, so this figure is expected to rise.

9. Business Travel Costs by Directorate

The information in table 1 is further broken down in the graph below, which sets out the cost of business travel by Directorate.

Business mileage expenses by directorate 09-10 & 10-11



Note: Surrey Claims Monthly refers to paper-based travel claims from bank and sessional staff.

10. For Members the costs of business travel are as follows:

Table 2: Member Business Travel Costs 2009-11

	2009-10	2010-11	Change from previous year	% change
Total business miles claimed	213,491	197,361	-16,130	-7.60%
Cost of mileage claims ¹	£85,396	£ 80,196		
Lump sum payments	n/a	n/a		
Total mileage and lump sum	£85,396	£ 80,196	£- 5,200	-6.10%
Public transport claims	£12,231	£ 6,635	£- 5,596	-45.70%
Total cost of business travel	£97,627	£ 86,831	£- 10,796	-11.10%

Notes:

1. the mileage rate for car travel is 40p per mile, with a new rate of 39p per mile introduced in September 2010 for cars with carbon emissions of greater than 150g/km. The mileage rate for motorcycles is 24p per mile and for cycles is 20p per mile.

11. From the 1st September 2010, a new 39p rate was introduced for Members' travel expenses for vehicles with carbon dioxide emissions over 150g/km. For vehicles with carbon dioxide emissions of less than 150g/km the rate is 40p per mile.

12. An analysis of the carbon and cost impacts of the new 39p rate will be carried out in October 2011, when a year of data will be available as a basis for comparison with the previous year.
13. Members are entitled to claim an additional 3p per mile for each additional car passenger for whom travel expenses would otherwise be payable.

14. Indirect Costs and Impacts

In addition to direct costs of business travel, there are a number of additional indirect costs and impacts. These include:

- Carbon Emissions. The carbon emissions (CO₂e) associated with business travel were calculated at 3,318 tonnes in 2009/10 rising to 3,766 tonnes in 2010/11.
- Collisions. Over the past 5 years the County paid out an average of £260,000 pa in insurance claims as a result of road traffic collisions with an additional cost of £246,000 in lost productivity and sick leave over that period. Figures for 10-11 claims are not yet available.
- Congestion. There is an economic and social impact from high levels of congestion on Surrey's roads.
- Parking. Provision of parking at office locations is a major issue for the County Council. Work is underway through the Making a Difference Programme to develop parking strategies that balance provision of space for business purposes, staff productivity implications and impacts on residents of on-street parking.
- Productivity. Productivity is lost through unnecessary journeys, delays encountered during travel and the proportion of the journey where it is not possible to work.

Measures available to achieve cost and emissions reductions
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Making a Difference Programme

15. The Making a Difference Programme has been set up to coordinate major changes relating to Technology upgrade, office moves and reduction in office space, enabling smarter/flexible working, whilst reducing business travel and adverse impacts on Surrey and the wider environment.
16. The Making a Difference Programme reports into the Overview and Scrutiny Committee, and provides periodic updates to CLT and the Cabinet through the Change & Efficiency Directorate's Fit for the Future change programme.

Corporate Travel Plan

17. A range of measures is being implemented to achieve the Corporate Travel Plan aims. Some are policy measures that make an immediate impact. Other are tools requiring local implementation, i.e. managers and teams around the County need to consider how to use them to best effect. Measures attempt to achieve one or more of the following:

- a. Reduce the need to travel for business
- b. Enable staff to work from multiple office locations to reduce travel requirements
- c. Promote car-sharing for both business and commuting journeys
- d. Promote alternatives to the car, for both business and commuting journeys.
- e. Provide pool vehicles that can be shared by staff for business use.
- f. Promote safer driving techniques to reduce the risk of collisions. Such techniques generally also contribute to reducing fuel consumption.

18. Policy measures in place include:

- a. parking policy – review of permit criteria at area offices to prioritise business travel needs. Introduction of time-limited bays
- b. travel allowances – 5p per passenger per mile rate introduced to encourage car-sharing by staff (3p per passenger mile rate for members).
- c. Workplace relocation grant – changed to support staff wanting to shift their commute to public transport

19. The tools currently in place to achieve these aims include:

- a. staff and members can claim a 20% reduction on rail fares on services operated by Southern Rail
- b. salary sacrifice schemes for parking spaces and cycle hire
- c. car sharing supported through an on-line registration and matching service, with a private group for SCC staff and members
- d. on-site car sharing spaces at major offices
- e. provision of pool cars for staff hire
- f. conference calling facilities
- g. travel advice on s-net and SCC website
- h. personalised travel planning for staff relocating office
- i. hot desk venues in all major offices

- j. cycling facilities including secure cycle parking, changing facilities and lockers.
20. In order to support teams to achieve the emissions and cost reductions they need to achieve, work will be carried out through the Making a Difference Programme, working with each service and with individual teams as appropriate, to analyse current business travel and suggest changes.

Office Moves and IT rollout

21. At the time of this report, two major 'Making a Difference' programmes are in progress. These are enabling a review of other measures with a view to better cost savings.
22. The programme of office moves aims to reduce building costs and make efficient use of assets to support business need. Buildings such as County Hall and Quadrant Court will be used more efficiently, some leasehold buildings are being closed, including AO1 and AO2 and the purchase of Consort House will provide lower cost, fit for purpose accommodation.
23. The County Council is in the process of upgrading its IT infrastructure. New slim-line desktop computers and notebooks/laptops that operate with Windows 7 are being issued to staff. The roll out is underway with a target completion date of March 2012. The new technology will support networking capability to enable staff to work from home or other locations.

Areas of development to improve cost and wider impacts of business travel

24. The Corporate Travel Plan focuses on some important business costs - the sum of mileage, lump sum, pool cars and public transport – but, as described in paragraph 9, there is a greater range of costs that can be influenced and therefore could all be considered as part of the Travel Plan.
25. The recent and forthcoming office moves, which increase the staffing capacity in a number of major buildings, require staff to adopt smarter working practices. A critical element of achievement of targets is the need for culture change across the organisation. As with energy consumption, it is important that all staff and members take ownership of the need to reduce business travel costs in order to protect frontline service provision.
26. Parking management policy has been subject to review, including trials of new arrangements at various offices. The 'Making a Difference' work plan has identified that parking permit criteria, contractual car user status and work profiles should be better integrated to ensure that parking capacity is allocated to priority uses – business need, mobility impairment, duty spaces and car sharing – rather than the current situation, where around 40% of spaces are used for all-day parking.

27. In the light of the changes currently underway within the County Council, it is important that:
- a. a systematic approach to monitoring business travel is implemented, in order to understand the cost, service and environmental impacts
 - b. the Council's policies (including staff and Members' benefit packages) are kept under review to ensure that they reflect current corporate goals and circumstances.
28. A Work Related Road Safety pilot scheme has been undertaken, with a view to moving employees from higher to lower risk. A short 'eco-driving' pilot has also been undertaken which has demonstrated the potential benefit of integrating the two programmes. The value of rolling out the programme is now under consideration. It should be recognised that some policies, such as disabling Bluetooth on SCC mobile phones, reduce productivity on the move, but have been implemented for safety reasons.
29. The current method of providing pool cars is through a pay-as-you-go car club, which has the added benefit of making the vehicles available to members of the public. This contract will end in March 2012 and work is underway to evaluate the most effective way of proceeding.

Conclusions

30. Business travel represents a significant direct and indirect cost to the Council, and has wider environmental and transport impacts on Surrey through carbon emissions, air quality and congestion.
31. This report reflects current scope and methods relating to management of the effect of business travel for staff and members. It is clear from the report that the range of initiatives, specific monitoring arrangements and measurement of progress against targets, is a critical issue for the County Council, which requires ongoing development and review.
32. Ongoing evaluation of the environmental/carbon, transport, cost and service quality impacts will need to be considered in the round in order to ensure that both corporate service quality and cost efficiency objectives are achieved.

Financial and value for money implications

33. This report is a scoping report on the costs of business travel so has no direct financial implications.

Equalities Implications

34. In both developing and implementing policies and practices aimed at reducing business travel, consideration has been given to adverse impact upon certain groups of staff. Availability of parking spaces for disabled users remains unchanged at all major offices and/or in-line

with normative ratios. Additional parking bays have been assigned at some offices for staff with temporary disabilities/occupational health referrals. For offices used by CSF Directorate staff that are visited by families with young children, appropriate parking allocation has been designated.

- 35. Office relocation and associated loss of on-site parking provision has and can disproportionately affect low paid staff, mostly part-time female employees. As a mitigation measure, the Council is providing free parking for these staff and/or financial support on a case-by-case basis.
- 36. To support staff attending offices for short periods and those working part-time/ad hoc basis, time-limited bays are being trialled at several select offices.
- 37. To encourage car sharing, a small number of dedicated bays have been designated at several offices.
- 38. Impact of parking arrangements [which differ across the offices] is monitored regularly through a variety of means, including direct observation and patrolling of car parks, staff surveys, Building User Groups [BUG] meetings, vox-pop [Chat Zone], so that any disproportionate impact can be addressed at the earliest.

Risk Management Implications

39. The main risks associated with business travel are:

Service delivery – the need to balance budget efficiencies with maintenance of service levels.

Reputational – the need to ensure that the County Council demonstrates best practice in reducing costs and impacts associated with business travel.

Implications for the Council’s Priorities

The Making A Difference Programme is underpinned by the corporate aims to achieve bottom quartile costs and top quartile performance.

Recommendations:

The Environment and Transport Select Committee is recommended to:

- Consider and comment on the information provided in this report
- Identify areas where further information is required

Next steps:

To be determined by the Environment and Transport Select Committee.

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Sources/background papers:

Surrey County Council Travel Plan

Making a Difference Presentation to the Member Asset Panel