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# CBD/West Transport

## Recommendation

That the Board:

- i. Notes the intent to discontinue the shuttle from the end of November.

## Executive summary

A six-month pilot shuttle service was introduced in May 2014. This was intended to reduce the cost of travel between Henderson and the City through reduced numbers of pool vehicles and travel claims. While patronage has grown steadily, it has not achieved a level sufficient to meet targets in the business case.

It is therefore intended to discontinue the shuttle. There will be a separate initiative to reduce the pool vehicle fleet and to address lower cost means of promoting interaction between Henderson based staff and those in the city.

## Background

There is considerable interaction between Henderson and City based staff. Prior to the shuttle, this was met through reimbursement of private vehicle use (mileage and parking) and use of pool vehicles. There was also small amount of public transport use although the time required to travel by bus or train (approx. 45 minutes) plus the need to attend meetings which start on the hour or half hour, mean this is not always a productive option. The shuttle allows staff to be at a meeting half an hour after leaving, about the same as when using a car when time to park is considered.

It was agreed to trial a shuttle service for six months based on the following business case parameters:

- Savings through reduced number of pool vehicles (\$200,000 per annum or 20 vehicles)
- Savings through less travel claims (\$110,000 per annum)
- Journeys per week by shuttle (110 proposed but currently doing 120)
- Cost of shuttle (\$261,800 per annum)<sup>1</sup>
- Cost per shuttle journey (\$47.60)

This service provided two ten-seater vehicles (and drivers) operating 24 services a day between the two locations including a stop on Mayoral Drive.

## Discussion

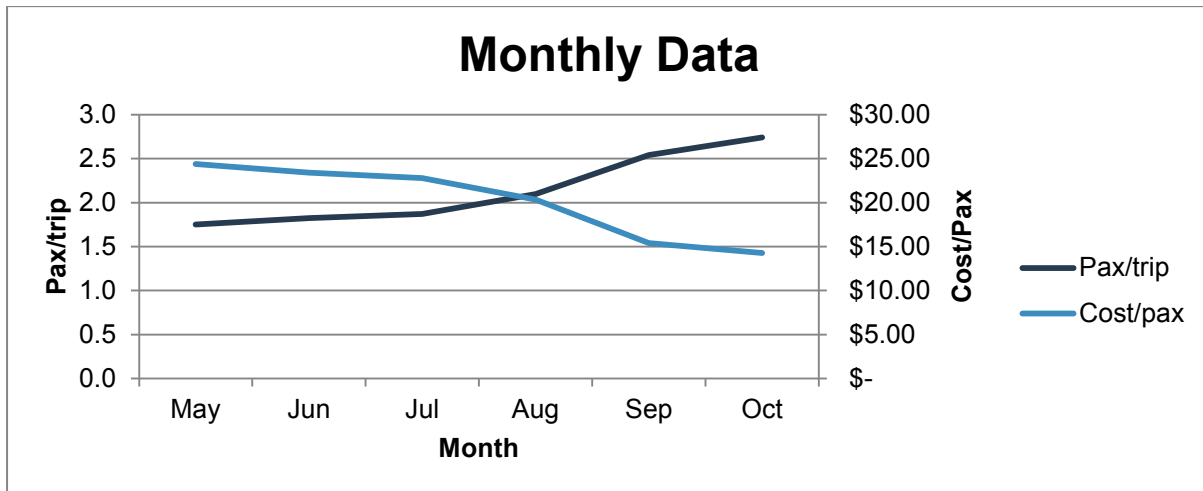
The shuttle was well advertised internally and staff were advised that we would no longer refund personal vehicle use between Henderson and the City. AC staff were also advised that they could make use of the shuttle service.

Patronage has grown steadily throughout the trial period, from just over 200 passengers a week in the first month to over 300 a week currently. That reflects approximately 2.5 people per journey.

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<sup>1</sup> This figure was estimated in the business case. The actual cost of the six month trial was \$245,000 per annum equivalent.

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This has resulted in the average journey cost per person falling to around \$15. While this cost is lower than the cost of reimbursing a mileage claim (\$32) or of using a pool vehicle (approx. \$26 on a full cost basis) we have not achieved the savings proposed in the business case. In part, the service has increased demand and the benefits include AC staff.

At this level of patronage the shuttle is not financially viable and it is unlikely that patronage will increase markedly. Over the Christmas period, patronage is likely to fall well below current monthly levels.

The major cost issue needing to be addressed through the original business case was staff taking a pool vehicle and leaving it parked (and unusable) while they attended meetings. This resulted in our pool vehicle fleet being larger than required.

We have only been able to reduce our vehicle fleet by three to date. The use of pool vehicles to attend meetings has proven to be less of a cost driver than envisaged.



The pilot has highlighted the need for several supplementary pieces of work:

- An improvement to the booking system is being implemented whereby the system offers shared use where someone else has booked a fleet vehicle at around the same time for the same destination
- There is a need for better information on why vehicles are being used. There is still an intention to reduce the vehicle fleet by around 20 vehicles (from 170 to 150). Use of GPS monitoring has enabled us to track typical journeys and time in use. Parking and Road Corridor Maintenance are heavy users of some vehicles but there is an ability to rationalise other usage
- Use of private vehicles (and subsequently claiming mileage and parking) is often an issue of personal convenience rather than business need. These claims will be tightened where there are viable alternatives (such as sharing a pool car) available
- Consideration is being given to greater use of video conferencing

There is no contractual consequence from ceasing the shuttle at the end of the contracted period. Media attention is expected and key messages have been developed.

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## Document ownership

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