

DEL TRAVEL POLICY: REVIEW APRIL 06 TO MARCH 07

1. INTRODUCTION

1.1 A review of Departmental travel costs in the 06/07 financial year is provided below for information and consideration. This report analyses the way in which savings have been maximised across the year and investigates further efficiencies.

2. EXPENDITURE

2.1 In the 01/02 year, prior to the implementation of the revised Departmental Travel Policy, a total of £230,650 was spent on air travel. Since the introduction of the policy, the volume of bookings has remained consistent whilst spending on travelling has fallen dramatically. 2006/07 has continued to show savings in the expenditure with a further decrease of £26,467 for a greater number of bookings from the previous year. A comparative breakdown of expenditure and volume of travel is provided below:-

01/02 Base Year	No of flights	% of Total Flights	Total Cost	% of Total Cost
Domestic	463	91%	£117,300	51%
European	25	4%	£11,500	5%
USA	21	5%	£101,200	44%
All	509	100%	£230,000	100%

05/06	No of flights	% of Total Flights	Total Cost	% of Total Cost
Domestic	592	94 %	£84,931	77 %
European	26	4 %	£3,944	4 %
USA	11	2 %	£21,253	19 %
All	629	100%	£110,128	100%

06/07	No of flights	% of Total Flights	Total Cost	% of Total Cost
Domestic	505	95%	£67524	81%
European	17	3%	£7253	8.5%
USA	7	2%	£8884	10.5%
All	529	100%	£83661	100%

- 2.2 These tables also highlight that expenditure in 2005/06 has continued to show a reduction in cost from the base year rate, namely £146,339 for a greater number of bookings from previous years. There has been a slight decline in the volume of domestic flight bookings, however the average cost of a domestic flight has remained static (£133.45 in 2006/07 compared to £134.75 in 2005/06).
- 2.3 The number of flights to European destinations has decreased to 17 flights in 2006/07 from 26 flights the previous year. However, it should be noted the cost of flights has seen an increase from an average of £152 to £414 per flight. The majority of these flights (13) were to Brussels with an average cost of £466.
- 2.4 This continued decrease in expenditure on staff travel can be attributed primarily to the increased use of the internet for bookings, enabling Personnel (Services) Branch to take advantage of online discounts and eliminate travel agent commission charges (£14.35 per booking). The total amount spent on travel agents fees in 2006/07 was £1177.

	2006-07		2005-06		2004-05	
Total Flights	529		629		576	
Travel Agent	119	23%	184	29%	198	34%
Online	410	77%	445	71%	378	66%
Total Spend	£83,661		£110,128	-	£117,184	-
Total Agent Spend	£38,362	46%	£56,392	51%	£69,289	59%
Online Spend	£45,299	54%	£53,736	49%	£47,895	41%

3. UNIT COSTS

The comparison of average air fares, before and after the implementation of the revised procedures, provides a consistent benchmark against which to assess the performance of the Travel Policy. The table shows the continued reduction in average fares together with the percentage savings per flight achieved in 2006/07, compared to 2005/06 and prior to the introduction of the policy:

Destination	Unit Costs Pre-policy	Unit Costs 05/06	Unit Costs 06/07	% Reduction since 2001/02
Domestic	£268	£143	£133	50%
European	£511	£152	£414	19%
USA	£4,442	£2,157	£1270	71%

This table indicates that the percentage reduction in unit costs to all destinations has been consistently maintained since the introduction of the revised Travel Policy, with domestic air fares continuing to fall. The most significant decrease in the past year has been in the cost of European flights. It has been noted, however, that there has been an increase in the unit cost of flights to Europe in comparison to 2005/06.

The continued use of the internet booking has shown further cost effectiveness with a reduction in the cost of the average air fare from £173 in 2005/06 to £158 in the 2006/07 financial year. This can be attributed to the fact that staff are continuing to use Gatwick, as an alternative to Heathrow. The financial benefits of encouraging staff to use this destination for travel to London are evident from the table below:

06/07	Total spend	No of flights	Average fare
Heathrow	£ 12,743	55	£ 232
Gatwick	£ 30,750	200	£ 154

The economy airlines have significantly expanded the UK destinations from Belfast and the table below illustrates the update of the most used destinations and the costs involved:-

06/07	Total spend	No of flights	Average fare
Birmingham	£ 3,530	37	£ 95
Bristol	£ 1,126	19	£ 59
Cardiff	£ 1,971	22	£ 90
Edinburgh	£ 2,317	23	£ 101
Glasgow	£ 5,590	70	£ 80
Manchester	£ 2,310	22	£ 105

4. ONGOING MONITORING/CONTINUED IMPROVEMENT

4.1 Use of Business Class

The table below illustrates that the number of business class flights to domestic destinations has decreased significantly in 2006/07. In order to ensure that this trend continues, it is recommended that Directors continue to pay close attention to the reasons staff provide to justify their preference for a more expensive flight option.

	No of flights	% of UK flight	Total cost	Average Fare
UK Economy	505	99%	£ 66,870	£ 132
UK Business	4	1%	£ 1178	£ 295

4.2 Late Bookings

It is important to reiterate that the savings achieved through internet bookings are maximised where staff provide advance notice of travel. The booking guidelines encourage staff to submit travel requests one month in advance of the departure date where possible. In 2006/07 it has been noted the number of travellers achieving this target has increased at around 50% of total bookings. The average time between the submission of the travel request and the departure date is, in fact, 19 days.

4.3 Delays in Approval

Whilst there has been an improvement on booking trends prior to the policy, relatively short notice prohibits Personnel (Services) Branch from maximising early bookings and achieving greater value for money. It should be noted that due to the nature of Economy flights any delays in approving the flight options can mean an increase in the original price of the flight. In 2006/07 a total of bookings were approved over 2 days after the initial options were issued, this resulted in a total increase of £7,554 over the original price of the fare.

4.4 Last minute Changes and Cancellations

During 2006/07 it has been noted that there had been a total of 13 last minute changes and cancellations to flight bookings. The total extra cost involved in this was £361. While this is a relatively small proportion of the overall cost in flights, staff are encouraged, where possible, to ensure that details are correct at time of booking.

5. OTHER BUSINESS

5.1 Business Lounge

In 2006/07 there had been limited use of the Business Lounges with a total of 7 bookings costing a total of £136.

5.2 Rail Travel

Throughout 2006/07 there had been a total of 273 tickets purchased for rail travel costing £10,358. As the table below illustrates, the majority of tickets purchased for rail travel were for the Heathrow and Gatwick Express.

2006/07	NO OF TICKETS PURCHASED	COST
Heathrow Express	46	£ 1,228
Gatwick Express	147	£ 4,709
Translink	28	£ 2,867
Other rail journeys	52	£ 1,554
TOTAL	273	£ 10,358