

DEL TRAVEL POLICY: REVIEW APRIL 07 TO MARCH 08

1. INTRODUCTION

- 1.1 A review of Departmental travel costs in the 07/08 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.
- 1.2 The Department is keen to continue demonstrating commitment to its green policy by reducing the cost as well as the environmental impact of unnecessary travel. This approach supports Central Government Policy and is in keeping with the principles outlined in an Emission Cost Assessment (ECA) carried out by the Department for Transport in August 2007. Further information on the responses received and a copy of the ECA can be viewed at the following address
<http://www.dft.gov.uk/pgr/aviation/environmentalissues/aviationemissionscostassess/>

2. EXPENDITURE

- 2.1 Since the introduction of the policy in 2001/02, the volume of bookings has remained fairly consistent whilst spending on travelling has continued to fall. While the reduction in the number of flights (10%) is comparable with the reduction in costs (9%), this pattern is not expected to continue in the coming year (2008/09) with the current economic climate and increase in fuel costs. A comparative breakdown and volume of travel is provided below:-

06/07	No of flights	% of Total Flights	Total Cost	% of Total Cost
Domestic	505	95%	£67,524	81%
European	17	3%	£7,253	8.5%
USA	7	2%	£8,884	10.5%
Rest of the World	0	0	0	0
All	529	100%	£83,661	100%

07/08	No of flights	% of Total Flights	Total Cost	% of Total Cost
Domestic	446	94%	£51,267	68%
European	17	4%	£4,870	6%
USA	6	1%	£10,573	14%
Rest of the World	4	1%	£9,177	12%
All	473	100%	£75,887	100%

- 2.2 The volume of domestic flight bookings has seen a slight decline however the average cost of each flight has reduced by a further 8% from the 2006/07 prices.
- 2.3 The number of flights to European destinations has remained static; however it is encouraging to note that the cost of travelling to Europe has reduced by 67% when compared against costs in 2006/07.
- 2.4 2007/08 has also seen flights being booked for the first time to India and Japan, the total cost of these bookings is highlighted against the 'Rest of the World'.
- 2.5 The continued decrease in expenditure on staff travel can be attributed primarily to the increased use of the internet for bookings. This facility has enabled Personnel (Services) Branch to take advantage of online discounts and avoid travel agent commission charges of £14.35 per booking. The Department saved a total £6,257 in travel agent fees in 2007/08 (£5,884 in 2006/07) by booking flights with the airlines direct online.

	2007-08		2006-07		2005-06	
Total Flights	473		529		629	
Travel Agent	37	7%	119	23%	184	29%
Online	436	93%	410	77%	445	71%
Total Spend	£75,887		£83,661	-	£110,128	-
Total Agent Spend	£27,140	36%	£38,362	46%	£56,392	51%
Online Spend	£48,747	64%	£45,299	54%	£53,736	49%

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 below shows the

continued reduction in average fares together with the percentage savings per flight achieved in 2007/08, compared to previous years;

Destination	Unit Costs Pre-policy	Unit Costs 06/07	Unit Costs 07/08	% Reduction since 2001/02
Domestic	£268	£133	£114	50%
European	£511	£414	£272	53%
USA	£4,442	£1270	£1762	40%

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 and European air fares continuing to fall.

Gatwick remains the most popular and cost effective airport for staff travelling to London, however this year saw the introduction of an additional airline travelling to Heathrow. This has provided more competitive rates and choice for travel to London.

07/08	Total spend	No of flights	Average fare
Heathrow	£ 7,978	45	£ 177
Gatwick	£ 21,827	179	£ 122

3.3 The economy airlines have significantly expanded the UK destinations from Belfast and the following table below details the most frequently used destinations and the costs involved:-

07/08	Total spend	No of flights	Average fare
Birmingham	£ 4,468	38	£ 117
Bristol	£ 800	13	£ 61
Cardiff	£ 2,370	26	£ 91
Edinburgh	£ 3,140	29	£ 108
Glasgow	£ 2,670	36	£ 74
Manchester	£ 1,860	21	£ 88

4. ONGOING MONITORING/CONTINUED IMPROVEMENT

4.1 Use of Business Class

The following table illustrates that the number of business class flights to domestic destinations has been kept to a minimum in 2007/08. 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	445	99.998%	£ 51,267	£ 115
UK Business	1	0.002%	£ 283	£ 283

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. Unfortunately in 2007/08 the number of travellers achieving this target has reduced to around 27% of total bookings in comparison to 50% in 2006/07. The average time between the submission of the travel request and the departure date is 21 days.

4.3 **Delays in Approval**

Whilst there has been an improvement on booking trends, relatively short notice prohibits Personnel (Services) Branch from maximising early bookings and achieving greater value for money. In 2007/08 a total of 213 bookings were approved over 2 days after the initial options were issued, this resulted in lost savings of £5,120, a decrease of 33% over the cost in lost savings in 2006/07. While it is encouraging to note that there has been a decrease in the delay in approving flight options, managers are encouraged to approve these options as quickly as possible so that the optimum value of money is achieved.

4.4 **Last minute Changes and Cancellations**

During 2007/08 there were a total of 20 last minute changes and cancellations to flight bookings. The total extra cost involved in this was £1,410, an increase from last year's costs of £361. Whilst this is a relatively small amount in comparison to the overall cost in flights, staff are

encouraged, where possible, to ensure that details are correct at time of booking.

4.5 Length of Meetings

Personnel (Services) Branch has been monitoring the length of the meetings requiring travel by air or rail for staff to attend. In 2007/08 there were 32 trips booked for meetings lasting 2 hours or less. The total cost of these journeys was £4,305 (average cost per trip is £135). This amount does not take account of costs relating to staff time away from the office or subsistence expenses. It is acknowledged that some meetings need to be face to face irrespective of their short duration, however in light of the expected increase in the cost of travel in the coming year, staff and managers are encouraged to look at alternative methods of attending or contributing to meetings such as video conferencing or conference call facilities. It should be noted that the comparative cost of 2 hours video conferencing is approximately £10. Both facilities are available in Adelaide House.

5. Business Lounge

In 2007/08 there was limited use of the Business Lounges with a total of 4 bookings costing £70.

6. Rail Travel

6.1 Throughout 2007/08 a total of 277 tickets were purchased for rail travel costing £8,311. As the table below illustrates, the majority of tickets purchased for rail travel were for the Gatwick Express.

2007/08	NO OF TICKETS PURCHASED	COST
Heathrow Express	39	£ 1,052
Gatwick Express	170	£ 4,279
Stansted Express	15	£ 290
Translink	25	£ 2,005
Other rail journeys	28	£ 685
TOTAL	277	£ 8,311

7. Taxis

7.1 Personnel (Services) Branch has continued to monitor the use of taxis, booked for official business, to ensure compliance with Departmental policy, maximum value for money and best utilisation of service. The table below shows a comparison, by division, of usage and costs for the period 2006/2007 and 2007/2008. It has been encouraging to note that there has been a 61% reduction in the total number of taxi bookings since the introduction of the revised policy.

Total number of taxis booked, by division, for 2006/2007 and 2007/2008

Division	2006/2007			2007/2008		
	Number of taxis booked	Total spend on taxis	Average Cost per taxi	Number of taxis booked	Total spend on taxis	Average Cost per taxi
Office of Permanent Sec	8	£47.90	£5.99	19	£120.50	£6.34
Finance & European Division	0	£0	£0	0	£0	£0
Preparation for Work	18	£116.50	£6.47	15	£123.70	£8.25
Corporate Services	171	£1554.42	£9.09	135	£1374.36	£10.18
Further Education	17	£325.40	£19.01	9	£79.80	£8.87
Skills and Industry	21	£192.80	£9.18	48	£424.10	£8.84
Higher Education	30	£678.80	£22.63	28	£595.50	£21.27
Strategy and Employment Rights	23	£410.70	£17.86	4	£31.70	£7.93
Total	288	£3326.52	Average taxi fare £11.55	258	£2749.66	Average Taxi fare £10.66

7.2 DESTINATIONS

The following tables illustrate that there has been a large number of taxis (27% 2006/07 and 46% 2007/08) booked for staff (excluding the Support Grade Staff) travelling within the City Centre/Greater Belfast area. These areas can be easily accessed by public transport.

In Corporate Services Division, it should be noted that most taxis (70% in 2006/07 and 51% in 2007/08) were booked for the Support Grade Staff, who were required to work unsociable hours to open and close buildings when no alternative public transport was available.

Summary of taxis by destination 2006/2007

Division	To/From City Airport	To/From International Airport	Within Belfast City Centre*	Greater Belfast area	Other
Office of Permanent Sec	1	0	0	7	0
Finance & European Division	0	0	0	0	0
Preparation for Work	0	0	0	18	0
Corporate Services	16	1	12	108	34
Further Education	3	1	3	2	8
Skills and Industry	5	2	2	10	2
Higher Education	6	24	0	0	0
Strategy and Employment Rights	3	5	0	7	8
Total	34	33	17	152	52

*Approximately a 3 mile radius from Belfast City Hall

Summary of taxis by destination 2007/2008

Division	To/From City Airport	To/From International Airport	Within Belfast City Centre*	Greater Belfast area	Other
Office of Permanent Sec	1	0	9	8	1
Finance & European Division	0	0	0	0	0
Preparation for Work	2	0	2	11	0
Corporate Services	4	8	66	48	9
Further Education	5	1	0	3	0
Skills and Industry	6	1	17	21	3
Higher Education	9	17	0	2	0
Strategy and Employment Rights	2	0	1	1	0
Total	29	27	95	94	13

*Approximately a 3 mile radius from Belfast City Hall

7.3 **PURPOSE OF JOURNEY**

When considering approval of taxi requests Heads of Branches are asked to ensure that taxis are only booked in exceptional circumstances. It should be noted that 42% of taxis booked in 2007/08 were required for travel during unsociable hours when public transport is not available. This figure is consistent with the volume booked for the previous year (40%).

7.4 **ESSENTIAL CAR USERS**

Essential car users who have access to car parking facilities should only require taxis in exceptional circumstances. During both periods reviewed it has been noted that several essential car users have made use of taxi facilities. Heads of Divisions and Heads of Branches are asked to ensure that all requests for taxis are in accordance with Departmental Policy and can be justified as appropriate use of public funds.