

DRAFT 2019 - 2022 BUSINESS PLAN

Introduction

Since first developed in the mid 1990's the Business Plan (Plan) and related planning process have provided the crucial direction in the rebuilding of London Transit as an organization and a transportation service. The Plan, which is updated every four years consistent with the terms of the Commission, serves:

- as reflection of today, serving as a starting point for the future
- to focus resources on prioritized challenges and expectations
- as a communication tool, supporting the development of informed relations
- to promote accountability, transparency and continuous improvement

Each new Plan, builds on the lessons learned and successes and setbacks encountered over the previous planning periods. The Plan development process supports continuity of the new Plan with previous plans. In addition, as noted below each Plan identifies an overarching theme. The theme for 2019-2022 is “Maintaining the Momentum – Moving and Improving”.

Business Plan Themes

Plan Period	Key Themes
1995-1997	Bring focus and direction to the organization, stopping the decline
1998-2000	Commence the rebuilding process, developing a customer first attitude
2001-2003	Sustain ridership gains – set the ground work for future growth
2004-2006	Defining the future – translating long term growth goals into an action plan
2007-2010	Delivering on the Plans – building the future
2011-2014	Maintaining the gains – continuing the building process
2015-2018	Driving Change

The Plan and planning process supports the consistent and congruent use of what can best be described as constrained resources focusing such resources on prioritized strategic outcomes. Further it supports transparency and accountability for outcomes. The process is defined by the following graphic.



The critical importance of the Plan is evident in the following tables. The tables define performance results using key performance indicators for both conventional and specialized transit services since the inception of the Plan and related planning process. As indicated, the various Plans have supported a significant turnaround in performance, establishing London Transit as a provider of one of the most effective and efficient transit systems in Ontario if not Canada.

Conventional Service Performance Summary 1996 vs. 2018

INDICATOR	1996	2018	CHANGE
Riders (millions)	12.3	23.7	93 %
Revenue service hours (millions)	0.482	0.635	32 %
Rides per capita	37.8	60.4	60 %
Revenue service hours. per capita	1.48	1.62	9 %
Direct operating cost per ride	\$ 2.20	\$2.97	35%
Total city investment per ride	\$ 0.88	\$1.10	25%

Specialized Service Performance Summary 1996 vs. 2018

INDICATOR	1996	2018	CHANGE
Riders (millions)	0.135	0.329	144%
Revenue service hours (000's)	0.052	0.145	179%
Rides per capita	0.42	0.84	99%
Revenue service hours per capita	.0.16	0.37	131%
Direct operating cost per ride	\$11.65	\$25.81	122%
Total city investment per ride	\$9.98	\$15.82	59%

Vision, Mission and Principles

The vision statement focuses on what an organization wants to be or hopes to achieve. The statement communicates the purpose or value of the organization. The vision calls for London Transit to be:

The valued and trusted mobility choice for Londoners.

London Transit's Mission statement is:

Moving Londoners – progressively, reliably and affordably.

The mission statement, which defines the organization's overarching purpose or objective is compatible with the vision statement. The vision and mission statements give direction to five congruent and competing strategic outcomes, namely:

- An integrated, affordable and valued mobility choice
- An engaged, diverse and respectful workplace
- Demonstrated fiscal accountability
- Being open, transparent and understood
- Effective utilization of infrastructure

The strategic outcomes reflect the values or principles of London Transit as organization and a transportation service. These guiding principles are defined as

- **Fiscal Accountability** – ensuring efficient and effective use of investment – supporting sustainable growth while providing positive social, economic and environmental benefits
- **Valued and Respected Community Partner** – working collaboratively on a shared vision, effort and success with all stakeholders
- **Open and Transparent** – participating in open and honest communication with all stakeholders in a clear and timely manner
- **Engaged and Diverse Workplace** – attracting, developing, supporting and retaining exceptional individuals resulting in a dynamic and diverse workplace
- **Innovative** – fostering a culture of continuous improvement through effective use of resources and technology
- **Customer Focused** – striving every day to improve the customer experience
- **Reliable Infrastructure** – acquiring and effectively maintaining environmentally friendly infrastructure in support of the consistent delivery of a quality service

Strategic Outcomes

As noted, the vision and mission statements give direction to five congruent and competing strategic outcomes, the defining of which follows:

An Integrated, Affordable and Valued Mobility Choice

The strategy calls for continued development and delivery of accessible public transit services that are integrated with other modes of transportation, dynamic in nature and considered a valued investment to all stakeholders. The strategy calls for:

- on-going development of a safe, integrated and accessible public transit service form (service design, type, routing and service level) ensuring the service meets the needs of a growing, competing and changing market

- use of proven technology supporting the effective, efficient delivery of transit services
- exploration of alternative service delivery models for identified areas of the city
- continued focus on improving the customer experience
- exploration of initiatives intended to grow transit ridership
- increased marketing initiatives, focused on the benefits LTC provides to Londoners and the community at large
- working collaboratively with the City on policies, programs and plans supporting transit friendly land use, mobility integration and development of transit priority measures
- directed efforts at identifying and implementing programs that provide for integration between the conventional and specialized services.
- ensuring the system is affordably priced providing a valued return for stakeholders

At a high level, progress respecting the strategic outcome will be measured based upon:

- ridership change and total ridership
- service hour change and total service hour investment
- service coverage change (Londoners within travel distance of transit service)
- customer satisfaction rating
- investment share allocation (operating investment)

An Engaged, Diverse and Respectful Workplace

The strategy calls for the development of a results oriented organization attracting, developing and retaining exceptional individuals creating an engaged, diverse, supportive and respectful workplace. This includes:

- developing a culture that is inclusive, supportive, and collaborative, respecting individual dignity and promoting accountability and open communication
- developing a learning organization supporting employees being successful in their roles, that recognizes performance and develops human resource capacity to ensure business continuity
- assessing current hiring practices and job requirements to ensure the continued ability to attract the best candidates
- developing a qualified and diverse workforce, reflective of community demographics
- developing and implementing mechanisms to provide for enhanced engagement with employees
- creating a safe and supportive work environment through the encouragement of employee health and wellness with an increased focus on employee mental health
- effectively using technology to support employees in their roles

A summary assessment or measurement of progress will include:

- training and development hours change and total hours
- employee turnover assessments
- increase in the pools of available candidates for open positions
- employee engagement

Demonstrated Fiscal Accountability

The strategy calls for prudent fiscal and operational management supporting sustainability, competitive positioning, affordability and valued return on investment. The investment return includes social, economic and environmental returns. This strategy calls for:

- providing a high quality and economically sustainable transportation experience
- ensuring decisions regarding investment (both operating and capital) are evidenced based, and are consistent with the goals and objectives of the organization and service
- establishing a sustainable financial strategy, one that reflects the unique dynamics (characteristics) of each investment source
- fostering an environment of continuous improvement that is , doing the right things at the right time in the most efficient and effective manner
- optimizing investment and utilization of existing and new technologies supporting the effective and efficient delivery and management of the service

Three high level measures will be utilized to assess progress on the strategic outcome, they are

- cost per service hour
- investment share allocation (operating)
- operating investment by function - transportation, fleet maintenance, fuel, facility, and administration

Being Open, Understood and Transparent

The strategy calls for all stakeholder communications to be conducted in an open, transparent, timely and inclusive manner supporting common knowledge and understanding. This includes:

- developing informed relationships with all stakeholders both internal and external to LTC
- employing a consistent communication brand supporting clear, concise and timely communication
- investing in and effectively utilizing a variety of communication forms and technology to build and sustain informed relationships
- investigation new ways to interact with transit riders and stakeholders
- developing and implementing mechanisms to provide for enhanced engagement with employees
- building a respectful working relationship with local and national media

At a high level, progress respecting the strategic outcome will be measured based upon:

- number of communication tools employed and effectiveness of each
- frequency of use of the communications tools
- stakeholder satisfaction rating (completed every 2 years)

Effective Utilization of Infrastructure

The strategy calls for the acquisition and maintenance of required infrastructure supporting service reliability, noting infrastructure includes fleet, facility, technology and other fixed assets. This includes:

- linking asset planning and service planning
- maintaining all assets in a state of good repair
- effectively utilizing proven technology to meet business/service needs e.g. smart bus technology to assist with the delivery of quality customer service
- completing evidenced based assessment on the acquisition and maintenance of critical infrastructure
- continuous review and improvement of systems, processes and procedures supporting effective use of all assets

Key high level measures of performance will be:

- average fleet age remains at or near 6 years
- nature and extent of technology employed
- capital investment in new infrastructure (includes expansion and replacement assets)

Work Program Initiatives

The 2019-2022 Plan has a number of overarching themes or directions which are reflected in each of the strategic outcomes. These include:

- being customer focused, providing a high quality economically sustainable service, a service that is responsive and affordable
- fostering a culture of continuous improvement and growth
- continued and enhanced development of informed relationships with all stakeholders
- continued development and growth as a learning organization that is supportive of its employees

Progress towards attaining the strategic outcomes will parallel the outcome of work program initiatives. An annual work program sets out the major activities/programs that require significant resources and/or are considered critical to the development and growth of London Transit both as an organization and a transportation service. The annual work program reflects the direction of LTC's vision and mission statements as well as the related strategic outcomes.

The work program initiatives will have a critical impact on the short, medium and long term direction of LTC. Many of the initiatives will be multi-year in nature. The respective initiatives will be prioritized and more detail provided as they are incorporated in the respective annual work programs.

Summary discussion on a number of the overarching initiatives, many of which will carry throughout each of the four year periods is set out below. Outcomes of many of the identified initiatives will generate further work program initiatives.

Financial Plan – The formal updating and approval of a new financial plan will take place as part of the next multi-year budget process, scheduled for mid-2019. The updating will include review and update as appropriate of the Commission's Fare Pricing and Media Policy, and amended strategy relating to management and direction of LTC reserves and reserve funds, and the investments levels required from the City in order to continue to grow the service in response to the needs of Londoners.

Asset Management Plan - The direction of the current LTC asset management plan has been fundamental to the LTC having no significant infrastructure deficit. The plan direction was identified as a critical priority over the past ten years and as such has resulted in the approximate \$158 million in fixed assets being graded as "very good-fit for the future". The plan will be reviewed and updated as part of the multi-year budget process to ensure identified plan strategies and direction continues to be current and dynamic.

Migration to Bus Rapid Transit Strategy – Development and implementation of any BRT corridors approved by Municipal Council will be a multi-year undertaking. Subsequent to approval of funding from all partners, work will begin on completing the required detailed assessments in effort to begin the required construction. In addition, should the implementation of BRT corridors be approved, a branding exercise will be undertaken early in the Business Plan period in order to provide an identity to the new service and begin to build brand awareness and excitement.

Diverse and Supportive Workplace – 2017 saw the launch of LTC's mental health strategy which addresses the need for increased attention to the promotion of mental health and resiliency for all employees as well as the prevention of mental illness wherever possible. The strategy focuses on changing LTC's culture, building capacity, and to measure, report and continuously improve. Over the course of this business plan, a custom training program will be delivered to all LTC employees to help build individual resiliency in the face of life challenges. Other measures to be taken toward a more supportive and inclusive workplace include a review of policies and procedures against the strategy and an overall assessment of employee engagement.

Increased Marketing and Awareness – The last five year service plan had, as key objectives, to improve the conventional service with a focus on routes experiencing overcrowding and schedule adherence issues as well as to simplify the network, all intended to result in an improved customer experience. The significant investment in service over the past four years and continuing in 2019 have resulted in a more reliable and easier to navigate transit system; however the 2018 Voice of the Customer survey results indicate a different customer perspective. Focus over the term of this Business Plan will be to begin marketing the LTC conventional service with a focus on the value it brings to the community at large. It is expected this effort will include use of corporate social media as well as on-board and shelter posters and may also include advertising on the outside of buses subject to availability.

Ridership Growth Initiatives – The Ridership Growth Strategy which was completed in early 2019 includes a number of initiatives with the potential to increase ridership. These initiatives will be prioritized and included in each of the annual work programs over the four year period.

Organizational Structure Review – The previous Business Planning period 2015-2018 saw significant investment in on-road service for both the conventional and specialized services. While improving the service on the road remains a priority, it is imperative that the appropriate level of resources is in place to manage and support this growth. A focus early in this plan's horizon will be a review of the administrative and management structure and related resources currently in place to determine whether this needs to be adjusted in order to support both past and planned growth.

Service Integration – With the implementation of the new scheduling software complete, a focus in the next business plan horizon will be opportunities for better integration between the conventional and specialized services, and will require a review of a number of the policies and practices currently in place for the specialized service.

Smart Card System – 2018 saw the rollout of the stored value component of the smart card system. Currently smart cards can be revalued at both LTC locations as well as eight City of London locations. The key initiatives remaining with this implementation will be to secure agreements with third party vendors to provide for revaluing of smart cards in their locations in an effort to ensure community-wide access, noting the option to revalue online also exists.

Annual service plans – Annual service plans will continue to be a major focus over the life of the business plan, building on the improvements over the past four years. Identifying and addressing priorities will continue to be a critical component to both the maintenance and growth of ridership, as will consideration of alternative methods of delivering public transit in difficult to serve areas of the city.

Corporate Communications – Continuing to strive for open and transparent stakeholder relationships will be a focus in this business planning period. 2018 saw the roll-out of corporate social media accounts which provided a mechanism to reach a specific demographic; however it is recognized that in order to effectively reach all demographics, additional methods and strategies around communications will need to be explored and implemented. Focus during this business planning period will be assessing and implementing new and different ways of engagement both externally (customers and stakeholders) as well as internally (with employees).

Review and updating of corporate training programs - London operates in a dynamic, complex and competitive environment. Developing as a learning organization supporting employees being successful in their roles is essential to ensuring business continuity and growth. Enhanced focus will be directed at ensuring new Operators (our largest employment group) have the necessary tools and abilities to perform their jobs in an exceptional manner.

Process Review Management Initiative – or PRM process has been essential to rebuilding efforts over successive Business Plan periods. The process ensure systems and processes remain current, dynamic and effective in meeting their objectives. Initial systems/processes subject to PRM include the specialized service area relating to the newly implemented scheduling software, the finance area relating to final smart card rollout, and the assessment of spare fleet ratio and whether it requires adjustment given changes in bus technology.

Performance Targets/Expectations

Performance targets and expectations for conventional and specialized transit are set out in the following series of tables. The targets cover financial (both capital and operating) and operational expectations. The listed indicators will be used to as basis for assessing actual performance and benchmarking performance against London Transit's peer group.

In addition to the indicators set out in the tables more detailed series of performance indicators have been developed assessing a wide range of responsibilities by functional area. The establishment of performance indicators and assessment of same is an integral part of London Transit's performance management program. The program defines where you are, where you're going and where you want to be. In other words, performance management is critical to focusing resources, setting direction and aligning decisions and actions with desired strategic outcomes.

Conventional Transit Services

DESCRIPTION	2019	2020	2021	2022
Selected service performance indicators				
Ridership (millions)	24.187	TBD	TBD	TBD
Revenue service hours (millions)	0.661	TBD	TBD	TBD
Rides per capita	61.0	TBD	TBD	TBD
Rides per revenue service hour	36.6	TBD	TBD	TBD
Revenue service hours per capita		TBD	TBD	TBD
Mean kilometers - service disruptions	5,400	5,400	5,400	5,400
Preventable accidents per 1 million kms	12.0	12.0	12.0	12.0
Service performance complaints per 100,000 riders	6.0	5.9	5.8	5.7
Operator performance complaints per 100,000 riders	6.0	5.9	5.8	5.7
Operator compliments per 100,000 riders	1.1	1.1	1.1	1.1
Selected financial performance indicators				
Total operating investment (millions)	\$ 74.688	TBD	TBD	TBD
Total operating cost per revenue service hour	\$ 112.43	TBD	TBD	TBD
Total operating cost per ride	\$ 3.08	TBD	TBD	TBD
City investment per ride	\$ 1.13	TBD	TBD	TBD
Source of investment				
Passenger, operating and reserves	51.2%	TBD	TBD	TBD
Province of Ontario	12.2%	TBD	TBD	TBD
City of London	36.6%	TBD	TBD	TBD
	100.0%			
Investment Allocation				
Transportation services	53.8%	TBD	TBD	TBD
Fuel	11.4%	TBD	TBD	TBD
Vehicle maintenance and servicing	20.5%	TBD	TBD	TBD
	85.7%	TBD	TBD	TBD
Facility	5.1%	TBD	TBD	TBD
General and administration	7.2%	TBD	TBD	TBD
Other - financial	2.0%	TBD	TBD	TBD
	100.0%			

Specialized Transit Services

DESCRIPTION	2019	2020	2021	2022
Selected service performance indicators				
Ridership (millions)	0.354	TBD	TBD	TBD
Revenue service hours	0.150	TBD	TBD	TBD
Rides per capita	0.89	TBD	TBD	TBD
Rides per revenue service hour	2.4	TBD	TBD	TBD
Service hours per capita	0.38	TBD	TBD	TBD
Booking performance				
percent cancellation	12.5%	12.5%	12.5%	12.5%
percent no show	1.5%	1.5%	1.5%	1.5%
percent completed trip	86.0%	86.0%	86.0%	86.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Average trips per registrant				
Average trips per registrant	36.4	TBD	TBD	TBD
Rides over 1 hour - percent of eligible trips	2.0%	2.0%	2.0%	2.0%
No shows - percent of eligible tips	0.5%	0.5%	0.5%	0.5%
Non accommodated trips - percent of total bookings	2.5%	2.5%	2.5%	2.5%
Selected financial performance indicators				
Total operating investment (millions)	\$ 9.282	TBD	TBD	TBD
Total cost per revenue service hour	\$ 61.88	TBD	TBD	TBD
Total cost per ride	\$ 26.26	TBD	TBD	TBD
City investment per ride	\$ 15.61	TBD	TBD	TBD
Source of Investment				
Passenger, operating and reserves	6.6%	TBD	TBD	TBD
Province of Ontario	33.9%	TBD	TBD	TBD
City of London	59.5%	TBD	TBD	TBD
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Investment Allocation				
Transportation services	99.5%	99.5%	99.5%	99.5%
General and administration	0.5%	0.5%	0.5%	0.5%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>