

2015-2018 Business Plan *Driving Change*

Investing in the Future
of London's Mobility

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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:

- a as reflection of today, and 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 with previous Plans. The key themes for the 2015-2018 Business Plan is "Driving Change". The theme reflects the direction of the 2015-2018 Business Plan and builds on the themes of past plans as noted below.

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

The Plan and planning process supports the prioritized 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 planning process. As indicated, the various Plans have supported a significant turnaround in performance, establishing London Transit as providing one of the most effective and efficient transit systems in Ontario if not Canada.

Conventional Service Performance Summary 1996 vs. 2014

INDICATOR	1996	2014	CHANGE
Riders (millions)	12.3	23.9	94%
Revenue service hours (millions)	0.482	0.570	18%
Rides per capita	37.8	62.8	69%
Revenue service hours per capita	1.48	1.50	1%
Operating cost per ride	\$2.26	\$2.60	15%
Total public investment per ride	\$0.88	\$1.10	25%

Specialized Service Performance Summary 1996 vs. 2014

INDICATOR	1996	2014	CHANGE
Riders (millions)	0.135	0.261	98%
Revenue service hours (000's)	0.052	0.110	111%
Rides per capita	0.42	0.71	69%
Revenue service hours per capita	0.16	0.29	81%
Operating cost per ride	\$11.65	\$20.47	76%
Total public investment per ride	\$9.98	\$18.65	87%



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 timely, clear, and inclusive manner supporting common knowledge and understanding
- **Engaged and Diverse Workplace** – attracting, developing and retaining exceptional individuals creating a dynamic workforce
- **Innovative** – fostering a culture of continuous improvement through effective use of technology and resources
- **Customer Focused** – striving every day to improve the customer experience
- **Reliable Infrastructure** – acquiring and maintaining infrastructure supporting service reliability

Strategic Outcomes

As noted, the vision and mission statements give direction to five congruent and competing strategic outcomes, the definition 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
- on-going development of customer first approach to service delivery
- working collaboratively with the City on policies, programs and plans supporting transit friendly land use, mobility integration and development of transit priority measures
- 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
- customer satisfaction rating (survey completed every two years)
- 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 and respectful workplace. This includes:

- developing a culture that is inclusive, collaborative, respects individual dignity, promotes 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
- developing a qualified and diverse work force, reflective of community demographics
- creating a safe work environment and encouraging employee health and wellness
- 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 rate (leaving service - excluding retirements, terminations and death)
- employee satisfaction rating (survey completed every two years)

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 service
- ensuring decisions regarding investment (both operating and capital) are evidenced-based, and are consistent with the goals and objectives of the organization and services
- 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, Transparent and Understood

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
- 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
- frequency of use of the communications tools
- stakeholder satisfaction rating (completed every two years)

Effective Utilization of Infrastructure

The strategy calls for acquiring and maintaining 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 include:

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



Workplan Initiatives

The 2015-2018 Business Plan has a number of key themes or directions which are reflected in each of the strategic outcomes. These include:

- being customer focused, providing a high quality economically sustainable services; a service that is responsive and affordable
- fostering a culture of continuous improvement and growth
- progressive use of existing and new technologies supporting effective and efficient management and delivery of services
- continued development of informed relationships with all stakeholders
- continued development and growth as a learning organization

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

The work plan initiatives 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 detailed as they are incorporated in the respective annual work plans.

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 plan initiatives.

Financial Plan

The formal updating and approval of the financial plan will take place early in 2015. The updated plan will include review and recommended changes, as appropriate, to the Commission's Fare Pricing and Media Policy (including changes to same associated with the Smart Card System) and LTC's reserve and reserve funds policy and program. The updated financial plan will consider the unique characteristics of investment sources and a strategy based upon five year operating and capital investment needs.

Technology Plan

As noted in a number of the strategic outcomes, optimizing investment and utilization of existing and new technologies in support of the effective, efficient delivery and management of the service is paramount. The direction will be the subject of a governing Technology Plan. The plan will assess use of existing technologies, the migration of those technologies as well as new and emerging technologies supporting the direction and growth of the Commission as an organization and a service.

Asset Management Plan

The direction of the current LTC Asset Management Plan has been fundamental to the elimination of the infrastructure deficit. The plan's 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 is to be reviewed and updated to ensure identified plan strategies and direction continue to be current and dynamic.

Migration to Bus Rapid Transit Strategy

Development and implementation of the BRT strategy is a multi-year undertaking. Over the next four year period, significant time and resources will be applied to complete necessary environmental assessments, route reviews, development of service standards and the marketing of the related Business Case including seeking provincial and federal investment. The BRT strategy is the cornerstone to the transformation of how London's public transit service is delivered.

Smart Card System

Like the BRT strategy, the smart card system is viewed as a major transformational project. The system not only redefines how passengers pay for a trip, it supports improved accuracy of revenue and ridership reporting, enhances service planning in respect of service performance, and improves service delivery via reduced dwell times at the point boarding. This is a complex undertaking with a significant amount of work to be completed ranging from critical market testing and re-testing of the system, marketing and promotion of the system, phasing the introduction of the system and discontinuing the old fare system. The initiative is targeted to be completed over 2015 and 2016.

Annual Service Plans

In the short to medium term given the service deficit, current service quality issues, fiscal constraints and the need to integrate conventional and specialized transit services annual service planning will take on an increased importance and urgency. Identifying and addressing priorities will be critical to both the maintenance and growth of ridership.

Corporate Communication Strategy

2015 will see the formalization of the corporate communication strategy including development of an organizational presence. The strategy includes developing a communication brand, and ensuring consistent and timely communications. Informed relationship with all stakeholders is fundamental to London Transit's continued success.

Review and Update of Training and Development Programs

London operates in a dynamic, complex and competitive environment. Developing as a learning organization supporting employees being successful is essential to ensuring the long term success and sustainability of the organization and the transportation services provided. A key initiative in this regard is the review and updating of all training and development programs. The initiative, which started in late 2014, is targeted to continue well into 2015. Delivery of the renewed training programs will be appropriately phased in.

Continuous Improvement (Process Review Management (PRM))

A key initiative reflected in successive Business Plans is the completion of "process reviews" fostering continuous improvement. The process (PRM) has been fundamental to the rebuilding of the organization and services over the last 15 plus years. Each year a number of processes/programs are identified for review with the primary objective of ensuring the right things are done at the right time in the most efficient and effective manner. Data management associated with the AVL and scheduling systems, and the management (tracking, reporting and utilization) of kilometers travelled are planned for review in 2015.

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 as a 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.

Performance Targets /Expectations Conventional Transit Services

DESCRIPTION	2015	2016	2017	2018
Selected service performance indicators				
Ridership (millions)	24.034	24.535	24.998	25.435
Revenue service hours (millions)	0.585	0.605	0.621	0.641
Rides per capita	63.0	63.7	64.3	64.7
Rides per revenue service hour	41.1	40.6	40.2	39.7
Revenue service hours per capita	1.54	1.57	1.60	1.63
Mean kilometers – service disruptions	5,124	5,315	5,488	5,684
Preventable accidents per 1 million kms	9.5	9.2	8.9	8.6
Service performance complaints per 100,000 riders	4.5	4.4	4.3	4.2
Operator performance complaints per 100,000 riders	4.1	3.9	3.8	3.7
Operator compliments per 100,000 riders	1.1	1.1	1.1	1.2
Selected financial performance indicators				
Total operating investment (millions)	\$62.638	\$65.668	\$68.592	\$71.688
Total operating cost per revenue service hour	\$107.00	\$108.63	\$110.38	\$111.87
Total operating cost per ride	\$2.61	\$2.68	\$2.74	\$2.82
City investment per ride	\$0.95	\$0.97	\$1.00	\$1.03
Source of investment				
Passenger, operating and reserves	56.1%	55.8%	55.0%	54.3%
Province of Ontario	7.3%	8.0%	8.7%	9.2%
City of London	36.5%	36.3%	36.3%	36.5%
	100.0%	100.0%	100.0%	100.0%
Investment Allocation				
Transportation services	52.1%	52.4%	52.4%	52.6%
Fuel	13.5%	13.8%	14.2%	14.6%
Vehicle maintenance and servicing	20.3%	20.1%	20.0%	19.7%
	85.9%	86.3%	86.6%	86.9%
Facility	5.0%	4.9%	4.9%	4.8%
General and administration	6.8%	6.6%	6.4%	6.3%
Other - financial	2.2%	2.2%	2.1%	2.0%
	100.0%	100.0%	100.0%	100.0%

Performance Targets /Expectations Specialized Transit Services

DESCRIPTION	2015	2016	2017	2018
Selected service performance indicators				
Ridership (millions)	0.284	0.321	0.338	0.353
Revenue service hours (millions)	0.116	0.131	0.138	0.144
Rides per capita	0.74	0.83	0.87	0.90
Rides per revenue service hour	2.4	2.4	2.4	2.4
Service hours per capita	0.30	0.34	0.36	0.37
Total bookings (millions)	0.296	0.334	0.352	0.368
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%
	100.0%	100.0%	100.0%	100.0%
Average trips per registrant	40.4	40.5	40.9	41.1
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	2.9%	2.8%	2.7%	2.7%
Selected financial performance indicators				
Total operating investment (millions)	\$5.823	\$6.549	\$7.002	\$7.427
Total cost per revenue service hour	\$50.15	\$49.95	\$50.70	\$51.54
Total cost per ride	\$20.51	\$20.42	\$20.73	\$21.07
City investment per ride	\$14.66	\$14.24	\$14.46	\$14.70
Source of Investment				
Passenger, operating and reserves	8.8%	8.9%	8.8%	8.7%
Province of Ontario	19.7%	21.4%	21.4%	21.5%
City of London	71.5%	69.7%	69.7%	69.8%
	100.0%	100.0%	100.0%	100.0%
Investment Allocation				
Transportation services	99.5%	99.5%	99.5%	99.5%
General and administration	0.5%	0.5%	0.5%	0.5%
	100.0%	100.0%	100.0%	100.0%

Performance Target/Expectation – Capital Program

Description	2015	2016	2017	2018
Capital investment (millions)	\$10.368	\$11.543	\$12.327	\$11.405
Basis of investment				
Life cycle maintenance	70.5%	73.5%	79.3%	73.2%
Service and system growth	29.5%	26.5%	20.7%	26.8%
	100.0%	100.0%	100.0%	100.0%
Percent investment allocation				
Fleet	87.7%	89.5%	77.4%	89.8%
Facilities	2.9%	2.6%	2.4%	2.6%
Technology, equipment, service fleet	9.4%	7.9%	20.2%	7.6%
	100.0%	100.0%	100.0%	100.0%
Source of investment				
City of London (debt and capital levy)	45.9%	49.3%	51.4%	49.4%
Development charges	4.4%	4.0%	0.0%	4.0%
Provincial gas tax	30.6%	28.9%	32.9%	28.9%
Federal gas tax (City)	13.8%	13.0%	11.7%	13.2%
LTC capital reserve	5.3%	4.8%	4.0%	4.5%
	100.0%	100.0%	100.0%	100.0%
Fleet size	205	211	216	222
Average fleet age	6.9	6.9	6.9	6.8





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