

# Transport and Environment Committee

10:00am, Tuesday, 29 October 2013

## Review of Subsidised Bus Service Contracts 2013

Item number	8.1
Report number	
Wards	All

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Coalition pledges	<a href="#">P19</a> , <a href="#">P47</a>
Council outcomes	<a href="#">CO9</a> , <a href="#">CO10</a> , <a href="#">CO22</a>
Single Outcome Agreement	<a href="#">SO1</a> , <a href="#">SO2</a>

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# Executive summary

## Review of Subsidised Bus Service Contracts 2013

### Summary

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The background of Council subsidy for certain bus services is described. Each service currently subsidised is described in some detail, including:

- the subject of the contract;
- details of the target market;
- the type and frequency of the service;
- performance over the past 12 months; and
- future plans for the service.

Network gaps are also discussed and conclusions drawn from the review and recommendations made.

### Recommendations

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It is recommended that the Committee:

- 1 agrees that the current Subsidised Bus Service Contracts funded by the Council in the main represent good value for money and help to achieve key aims of the Council;
- 2 notes that a number of contracts are to be tendered in the near future and that others will be retendered within the next 12 months; and
- 3 notes that the performance of Hogmanay Free Night Bus service N43 will be monitored.

## Measures of success

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It is hoped that the Council's new Framework Agreement for the Supply of Bus Services will lead to increased competition so leading to keener contract pricing.

Although not quantifiable, continued Council support for the bus network leads indirectly to improvements in health and accessibility for some sections of the community, particularly the elderly and those on low incomes.

## Financial impact

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This report reflects the present state and value of subsidised bus service contracts and the costs and value of each are discussed in the main report.

## Equalities impact

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As this report is a review of existing provision, there is no direct equalities impact. However, the report highlights the equalities benefits of continued provision through the enhancement of access to employment, educational, leisure and shopping opportunities that the subsidised bus services enable.

## Sustainability impact

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As this report is a review of existing provision, there is no direct sustainability impact. However, the reduction in dependence on transport by private car made possible by the provision of the subsidised bus services contributes to the Council's sustainability aims.

## Consultation and engagement

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Consultation over the future of a number of Subsidised Bus Services has taken place with relevant Elected Members and Community Councils. Consultation will continue throughout the tendering process for new contracts.

**Background reading/external references**

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## Review of Subsidised Bus Service Contracts 2013

### 1. Background

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- 1.1 The Council funds or part-funds a number of Local Bus Service Contracts on the basis of social need. The annual Council budget for this purpose amounts to £1.15m, plus £80k agreed for 2013/2014.
- 1.2 This report describes the background and purpose of each of these contracts and examines their performance. The report also highlights forthcoming contract renewals and discusses gaps in the bus network in Edinburgh.

### 2. Main report

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- 2.1 In the current financial year, the Council's Subsidised Bus service budget provided subsidy for six complete routes, four part-routes and five cross-boundary routes where the cost is shared with a neighbouring Council.
- 2.2 In addition the Council funds bus services for Queensferry on the public holidays at Christmas and New Year including the Free Nightbus at Hogmanay for that area, Kirkliston, Newbridge and Ratho (other Hogmanay Nightbus services are funded from a separate budget). It also contributes to West Lothian Council's cross-boundary services at that time of year.
- 2.3 Below, each subsidised service is described and information on passenger number, cost per passenger and comments on the future of the contract are provided. Traditionally, a subsidy per journey of up to £3.00 has been seen as good value for the Council, although for other Councils, especially those with large rural areas, this figure is often much higher.

- 2.4 For contracts ending within the next 12 months this report provides recommendations on a course of action.

### **Service 7: E&M Horsburgh**

#### **Queensferry-Kirkliston-Winchburgh-Broxburn-Uphall-Livingston Bus Station-St John's Hospital**

The Council's interest in this service is in providing links to St John's Hospital, Livingston for residents of Queensferry and Kirkliston, at times when no direct link is available. The service is provided Monday to Saturday.

Service 7 is a cross-boundary service provided mostly commercially by E&M Horsburgh. The Council, however, contributes towards the cost of morning and evening journeys Monday to Saturday. The remainder of the timetable, with a curtailed route terminating at Uphall, is commercial. West Lothian Council is the lead authority on this contract, with City of Edinburgh Council contributing £66,351 (74.7%) towards the total contract figure of £88,824k, based on mileage operated in each Council area.

Over the past 12 months, the service carried 28,673 passengers overall, of which 12,973 (45.24%) were Concessionary. Proportionally, this equates to 21,418 passengers from Edinburgh, and a cost per journey to the Council of £3.09.

The contract is not due for renewal until October 2015.

### **Service 12/X12: Lothian Buses plc**

#### **Seafield-Leith-Princes Street-Haymarket-Corstorphine-Gyle-Ingliston Park & Ride-Ratho Station-Ratho Village**

The Council's interest in this service is in providing a public transport link to the wider bus network for Ratho Village, without which Ratho would be served by service 40 (see below) only. The service is provided seven days per week.

This contract covers only the section of route between Ingliston P&R and Ratho Village, the remainder of the timetable being provided commercially by Lothian Buses plc.

Over the past 12 months, the service carried 160,293 passengers, of which 35,445 (22%) were Concessionary. The cost of the contract in 2012/13 was £183,102, equating to a subsidy of £1.14 per journey.

When Edinburgh Tram commences operation, it is Lothian Buses' intention to curtail service 12 to its former terminus at the Gyle, at which point it will no longer be possible to serve Ratho by this means.

To ensure continued public transport links for Ratho residents, a new solution will be needed. Options for this are being explored, in consultation with Ratho Community Council. Steps will be taken to ensure that there is no gap in service between the removal of service 12/X12 from Ratho and the inception of any new public transport arrangement.

### **Service 13 (Edinburgh Coach Lines)**

#### **Craigleith-Blackhall-Ravelston-West End-New Town-Broughton-McDonald Road- Dalmeny Street-Lochend-Findlay Gardens**

This service is wholly subsidised by the Council, and links Craigleith, Blackhall Ravelston and Lochend to the city centre. Other links within the city centre are possible using this route, for instance, service 13 is the only public transport link to the Dean Galleries from the city centre, and it is the only service traversing parts of the New Town.

The service is used by commuters and schoolchildren in the peak periods and provides shopping and leisure opportunities at other times. Service 13 operates Monday to Saturday only.

Over the past 12 months, the service carried 143,806 passengers, of which some 75,584 (52.56%) were Concessionary.

The cost of the contract in 2012/13 was £188,491, equating to a subsidy of £1.31 per journey.

The current contract for service 13 ends in July 2014, and it is proposed to re-tender the service unaltered.

### **Service 18 (First)**

#### **Gyle-Wester Hailes-Colinton-Fairmilehead-Gilmerton-RIE**

Peak time journeys on service 18 are operated commercially by Lothian Buses (Monday to Friday) with the remainder of the timetable being operated under contract to the Council by First Scotland East.

The Council's interest is in providing links across the south of the city to employment, education and leisure opportunities and to the Royal Infirmary of Edinburgh (RIE).

Over the past 12 months, the service carried 193,260 passengers, of which some 88,342 (45.7%) were Concessionary. The cost of the contract in 2012/13 was £87,327, equating to a subsidy of £0.45 per journey.

The Committee has approved proposals to seek prices to extend service 18 from the RIE via the new Public Transport Link between the RIE and Greendykes Road, to a) Fort Kinnaird and b) Queen Margaret University, Musselburgh. Possible frequency enhancements will also be explored through this process.

The new contract will, by agreement with the operator, include those journeys currently operated commercially by Lothian Buses plc, and will be procured through the Council's new Framework Agreement for Bus Services, approved by the Finance and Budget Committee at its meeting of 29 August 2013.

On the approval of a new contract, the current contract will be terminated by agreement with the operator.

### **Service 20 (Lothian Buses plc)**

#### **Chesser-Kingsknowe-Wester Hailes-Calders-Sighthill-Gyle**

Service 20 is aimed at providing shopping, employment and leisure opportunities for communities such as Kingsknowe and the Calders, which are relatively isolated from the main bus network. The service benefits from an annual contribution of £25k from Tesco, owners of a superstore at Hermiston Gait.

Over the past 12 months, service 20 carried 127,884 passengers, of which some 69,554 (54.4%) were Concessionary. The cost of the contract in 2012/13 was £144,016, equating to a subsidy of £1.12 per journey. Taking the Tesco contribution into account reduces this figure to £0.93 as a cost to the Council.

This contract is due for renewal in July 2014, and it is proposed to re-tender the service unaltered.

### **Service 24 (Blue Bus)**

#### **Juniper Green-Currie-Balerno-Kirknewton-East Calder-Pumpherton-Howden-St John's Hospital-Livingston Bus Station**

Service 24 is provided under a West Lothian Council contract let in October 2012. The service provides links for Juniper Green, Currie and Balerno to health facilities in West Lothian, principally St John's Hospital. Six return journeys per day, Monday to Friday are provided.

Since the contract began, service 24 has carried an average of 2,400 passengers per month, equating to an estimated annual total of 28,800 passengers, of which some 20,500 (71%) are Concessionary.

The estimated cost of the contract in 2013/14 is £23,716. It has not been possible at this stage to isolate Edinburgh-based journeys from the total carried. However, each journey was subsidised by the City of Edinburgh to the amount of £0.82.

The contract is not due for renewal until October 2015.

### **Service 38 (Lothian Buses)**

#### **Granton-Ravelston-Balgreen-Morningside-King's Buildings-Cameron Toll-RIE**

Service 38 provides important links for communities in the south of the city, including access to the RIE. The service is operated largely commercially by Lothian Buses, the Council's contribution being limited to a frequency enhancement from 30 mins to 20 mins between the peak periods, Monday to Friday only.

Over the past 12 months, the enhanced service 38 carried 307,420 passengers, of which some 141,525 (46.1%) were Concessionary. The cost of the contract in 2012/13 was £188,491, equating to a subsidy of £0.61 per journey.

This contract ends in July 2014, and a new contract will be negotiated with Lothian Buses to take effect thereafter.

### **Service 40/X40 (E&M Horsburgh)**

#### **St John's Hospital-Livingston Bus Station-Dedridge East- Mid Calder-East Calder-Wilkieston-Ratho-Hermiston P&R- Gilmerton-RIE**

Service 40/X40 is provided under a West Lothian Council contract let in October 2012. The Council's interest in it is that service 40 provides four return journeys per day linking Ratho to St John's Hospital and the RIE.

It is estimated that the service will carry 98,501 passengers in the year since the contract began. The total annual cost of the contract is £264,740, of which this Council pays 2.56% (based on the mileage operated within Edinburgh) amounting to some £6,800.

Based on that percentage, the cost per journey within Edinburgh is estimated at £2.70. Although this is a relatively high cost, it is considered that the value of public transport links to two hospitals justifies it.

The contract is not due for renewal until October 2015.

### **Service 42 (Lothian Buses)**

#### **Craighleith-Stockbridge-City Centre-Cameron Toll-Duddingston Village-Portobello**

Lothian Buses operates service 42 largely commercially. The section of route between the city centre and Portobello, however, is funded by the Council in the evenings and at weekends, under a contract let in 2009. The purpose of the contract was to reinstate sections of the timetable that had been de-registered by Lothian Buses on the grounds that they were not viable.

Over the past 12 months, the contracted sections of service 42 carried 38,101 passengers, of which 8,044 (21%) were Concessionary. The cost of the contract in 2012/13 was £56,511, equating to a subsidy of £1.43 per journey.

This contract ends in July 2014, and it is proposed to re-tender the service unaltered.

### **Service 63 (E&M Horsburgh)**

#### **Queensferry-Kirkliston-Newbridge-RBS-Gyle-Edinburgh Park-Hermiston Gait**

Service 63 provides hourly links to employment, educational, leisure and shopping opportunities for residents in Queensferry, Kirkliston, Newbridge and Ratho Station. The present contract, let in 2009, is the successor to a previous contract funded from the section 75 agreement connected with the extension of the Gyle Centre, which commenced in April 2003.

Over the past 12 months, service 63 carried 91,228 passengers, of which 41,348 (41.3%) were Concessionary. The cost of the contract in 2012/13 was £105,812, equating to a subsidy of £1.16 per journey.

Service 63 has recently been re-routed within Kirkliston to serve the new housing developments in North Kirkliston. This contract officially ends in July 2014; however it is the intention to retender this service in the near future to explore the costs of potential frequency enhancements and connections with Tram. Kirkliston and Queensferry Community Councils have been fully involved in consultations over the future of service 63.

## **Service 64 (E&M Horsburgh)**

### **Edinburgh Park Station-Maybury-East Craigs-Barnton-Cramond-Davidson's- Mains-Silverknowes**

The present contract for service 64, let in 2009, is the successor to a previous one which commenced in April 2003, funded from the section 75 agreement connected with the extension of the Gyle Centre, the service then operating as part of Lothian Buses service 24.

The present service contains two commercial extensions serving Silverknowes and East Craigs, and operates on a 60 minute frequency during the bulk of the day, Monday to Saturday.

Service 64 provides access mainly to employment, shopping and leisure opportunities for residents in Silverknowes, Davidson's Mains, Cramond, and Maybury.

Over the past 12 months, service 64 carried 31,863 passengers, of which 24,192 (75.9%) were Concessionary. The cost of the contract in 2012/13 was £53,650, equating to a subsidy of £1.68 per journey.

Officials are aware of concerns over the reliability and quality of this service, which are being explored with the current operator.

This contract ends in July 2014. Before re-tendering, the relevant Community Councils will be consulted on the future configuration of the service.

## **Service 68 (Waverley Travel)**

### **Gyle-Turnhouse-Craigmount High School-Corstorphine-Parkgrove-Clermiston-Corstorphine-Gyle**

Service 68 consists of an off-peak service, Monday to Saturday, aimed at providing shopping opportunities for mainly elderly users. It is the only public transport link for residents at Turnhouse.

The service is currently operating on an extension of a contract, let in 2009 and due to end in 2012. Although a procurement exercise was carried out in 2012, it was aborted due to the low level of tender returns. The service will be retendered in the near future under the Council's new Framework Agreement for the Supply of Bus Services. No significant change in the specification of the service is envisaged.

Over the past 12 months, service 68 carried 49,755 passengers, of which 45,472 (91.4%) were Concessionary. The cost of the contract in 2012/13 was £67,812, equating to a subsidy of £1.36 per journey.

## **Service 70 (Waverley Travel)**

### **Balerno-Currie-Hermiston Gait-Gyle**

Service 70 aims to provide shopping opportunities, mainly for elderly residents not living on a bus route. The service consists of one return journey on Wednesday and Friday each week, with two return journeys on Saturday.

Over the past 12 months, service 70 carried 5,960 passengers, of which 5,474 (91.8%) were Concessionary. The cost of the contract in 2012/13 was £14,427, equating to a subsidy of £2.42 per journey. This seems a relatively high figure; however the fact that the timetable is limited concentrates the demand on a few well-used journeys. In addition, the high level of Concessionary users justifies the continued need for the service.

This contract ends in July 2015.

## **Service 129 (Eve Coaches)**

### **Ocean Terminal-Leith-Fillyside-Portobello-Musselburgh-Wallyford-Presonpans-Port Seton-Seton Sands**

Service 129 is provided under an East Lothian Council contract to which the City of Edinburgh Council contributes 43% of the total cost, based on the mileage operated in each Council area.

The Council's interest in this service was in re-establishing a public transport connection to Portobello for Leith and Fillyside, which was lost some years ago with the curtailment of Lothian Buses service 12 to Leith Links. Service 129 provides this link on a 60-minute frequency during the day, Monday to Saturday.

Over the past 12 months, service 129 carried 77,783 passengers in total, of which 42,486 (54.62%) were Concessionary.

This Council's share of these figures was 33,447 passengers carried of which 18,269 were Concessionary. The estimated cost to the Council of the contract in 2013/14 is £53,768, equating to a CEC subsidy of £1.60 per journey.

## **Christmas and New Year Provision**

The Council funds the bus service for Queensferry on the four public holidays over Christmas and New Year, without which Queensferry would have no public transport link on these days. The service on 1 January is enhanced to take account of demand generated by the 'Loony Dook' event in Queensferry on that day. The total cost of the provision on these four days was £8,540.

Over the festive period in 2012/2013, the service carried a total of 3,260 passengers, equating to a cost per journey of £2.61.

The Council also funds the Hogmanay Free Night Bus service (N43) for the benefit of residents of Queensferry, Kirkliston, Newbridge, Ratho Station and Ratho Village. The cost of this provision in 2013 was £4,110.

First has been unable to provide accurate passenger numbers for this service due to an equipment failure on that day. However, based on a figure of 259 passengers carried on 1 January 2012, an estimate of 250-300 passengers seems reasonable for 1 January 2013. On that basis, a cost per passenger of £13.70 can be calculated.

This is expensive in terms of other subsidised bus service contracts, however it is proposed that the service is provided again on 1 January 2014, on the basis that 250-300 passengers is a significant number. Officials will work with First to increase passenger numbers on the service by use of more targeted and timeous advertising. Subsequent analysis of the performance of the service will show any positive or negative trends and allow an informed decision on the continued provision of the service to be made in future years.

Lothian Buses will again provide Hogmanay buses across their network of night services.

In addition, the Council contributes to the cost of a number of West Lothian Council contracts over the festive period, on the basis that they provide links to the rural west of the city that would not otherwise be provided. The cost to the Council over the last festive period was £14,589. The Council pays 32.54% of the total cost of the contracts, calculated on the basis of mileage operated within the Council boundary.

## **Network Gaps**

- 2.5 Through the mechanism of the Petitions Committee, attention has been drawn to deficiencies in the bus network in the Kirkliston (Petitions Committee 3 December 2012) and Dumbiedykes (Petitions Committee 22 January 2013) areas.
- 2.6 It is the intention to explore options for these through the new Framework Agreement for Supported Bus Services approved by the Finance and Budget Committee on 29 August 2013.
- 2.7 Options for Kirkliston have already been extensively discussed through consultation with Kirkliston Community Council. In exploring these options, the advent of Tram operations will be important.
- 2.8 Discussions with Lothian Buses on options for Dumbiedykes are continuing. However, as mentioned above, the costs of a dedicated service for Dumbiedykes will also be explored through the use of the new Framework Agreement for Supported Bus Services.

- 2.9 The results of the tendering exercises for services 18, 63, 68 and the Ratho service will be reported to the Committee in January 2014.
- 2.10 In addition, that report will address possible solutions for Dumbiedykes together with the associated costs.

## **Conclusions**

- 2.11 From the above, it can be seen that Subsidised Bus Services funded or part-funded by the Council in the main represent good value, and contribute towards many of the Council's core aims in improving connectivity, and providing links to employment, education, shopping and leisure activities.
- 2.12 Many subsidised services enable large numbers of elderly residents to access services and participate in social and other activities from which otherwise they may be excluded. The health and social inclusion benefits if this aspect of Subsidised Bus services alone is significant, although difficult to quantify with any degree of accuracy.
- 2.13 The sole instance where value is poor is the provision of the N43 Hogmanay Free Night Bus. Although the intention is to provide the service on 1 January 2014, it is hoped that increased advertising will improve its performance, which will be monitored carefully.

## **3. Recommendations**

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- 3.1 It is recommended that the Committee:
- 3.1.1 notes that the current Subsidised Bus Service Contracts funded by the Council in the main represent good value for money and help to achieve key aims of the Council;
  - 3.1.2 notes that a number of contracts are to be tendered in the near future and that others will be retendered within the next 12 months; and
  - 3.1.3 notes that the performance of Hogmanay Free Night Bus service N43 will be monitored.

## **Mark Turley**

Director of Services for Communities

## Links

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<b>Coalition pledges</b>	<p>P19 – Keep Lothian Buses in public hands and encourage the improvement of routes and times.</p> <p>P47 – Set up a city-wide Transport Forum of experts and citizens to consider our modern transport needs.</p>
<b>Council outcomes</b>	<p>CO9 – Edinburgh residents are able to access job opportunities.</p> <p>CO10 – Moving efficiently – Edinburgh has a transport system that improves connectivity and is green, healthy and accessible.</p> <p>CO22 – Moving efficiently – Edinburgh has a transport system that improves connectivity and is green, healthy and accessible.</p>
<b>Single Outcome Agreement</b>	<p>SO1 – Edinburgh’s economy delivers increased investment, jobs and opportunities.</p> <p>SO2 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health.</p>
<b>Appendices</b>	