

# Transport and Environment Committee

10.00am, Tuesday 25 August 2015

## Transport for Edinburgh – Annual Performance Review

Item number	7.1
Report number	
Executive/routine	
Wards	All

### Executive summary

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Transport for Edinburgh (TfE) was established in 2013, as the parent company for both Lothian Buses and Edinburgh Tram. Edinburgh Tram is wholly owned by the City of Edinburgh Council and TfE holds the Council's 91% share in Lothian Buses. This report reviews the performance of Transport for Edinburgh and its companies over the last 12 to 18 months and outlines their objectives for the next year.

### Links

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Coalition pledges	<a href="#">P19</a> , <a href="#">P50</a>
Council outcomes	<a href="#">CO8</a> , <a href="#">CO22</a> , <a href="#">CO26</a>
Single Outcome Agreement	<a href="#">SO1</a>

## Transport for Edinburgh – Annual Performance Review

### Recommendations

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- 1.1 It is recommended that Transport and Environment Committee:
  - 1.1.1 notes the contents of the report;
  - 1.1.2 acknowledges the achievements of Transport for Edinburgh and its companies in particular the successful first year of operation of Tram, the many initiatives to support integration and the consequent increase in public transport patronage and high levels of customer satisfaction;
  - 1.1.3 approves the objectives for Transport for Edinburgh and its companies; and;
  - 1.1.4 agrees that officers work with Transport for Edinburgh to develop and agree specific targets, based on the objectives, for 2016 and report back to this Committee within two cycles.

### Background

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- 2.1 At its meeting on 22 August 2013, the City of Edinburgh Council approved a new governance and corporate structures to provide governance, financial and shareholder controls over the Council's transport companies – Lothian Buses and Edinburgh Tram (see Appendix 1).
- 2.2 This involved the establishment of Transport for Edinburgh Ltd which, as well as holding the Council's share in Lothian Buses, was to provide leadership and direction so that the Council's vision for integrated transport in Edinburgh could be realised.
- 2.3 In the Business Bullet-in to the Transport and Environment Committee on 2 June 2015 it was reported that an Annual Performance Report on Transport for Edinburgh and its companies would be submitted to the next meeting of the Committee.

### Transport for Edinburgh – Branding and Technology

- 3.1 In 2013, Lothian Buses and Edinburgh Trams came together under the umbrella of Transport for Edinburgh (TfE). This has allowed passengers to benefit from a simple, integrated operation which provides shared ticketing and customer services. Support services such as finance, human resources, corporate communications, marketing, IT and facilities management at Lothian Buses also support Edinburgh Trams to minimise costs and to maximise value across the whole group.
- 3.2 Transport for Edinburgh provides an overarching identity for services, preserving the valuable brand of Lothian Buses and successfully introducing and establishing Edinburgh Trams. Shared products and services adopt common branding, with the bus and tram livery remaining intact. The app, Ridacard and Citysmart products are all positioned as Transport for Edinburgh, emphasising the integrated service provided to customers, no matter how they travel.
- 3.3 The Lothian Buses app for phones and tablets, launched in November 2013, was rebranded as the Transport for Edinburgh app and updated to support Edinburgh Trams from May 2014. The enhanced app combined live departure information for Edinburgh Trams and Lothian Buses, and brought together journey planning and service information from all parts of Transport for Edinburgh.
- 3.4 There were over 200,000 downloads of the app over the course of 2014. It is used by more than 400 customers at any given moment during peak travel times, and tens of thousands use it daily to help with travel around the city.
- 3.5 In December 2014, the installation of the very latest 4G Wi-Fi on all buses and trams was completed. This was funded by the Connected Capital Programme, via the City of Edinburgh Council. This now means passengers have free access to internet services when using all services, including Edinburgh Bus Tours.
- 3.6 As well as providing a better customer experience, the Wi-Fi hardware has wider benefits. These include improved tracking of vehicles by GPS, further upgrade capabilities for other vehicle technology and better quality information for the app, especially those functions used by blind or partially sighted people.
- 3.7 While many traditional ticket options remain popular with customers, new technologies are exploited to offer more flexibility and convenience, especially to meet the needs of those using hand-held digital devices.

- 3.8 In September 2014, Citysmart was launched, a multi-journey card that allows passengers to purchase single bus and tram journeys before travelling. Citysmart has proved to be popular with customers, with over 90,000 journeys recorded using the card in its first four months.
- 3.9 The m-tickets app, which complements the main travel information app, continues to provide customers with an innovative way to pre-purchase different types of ticket for use on buses and trams. Developed in partnership with Corethree, the app has been hugely successful - achieving more than double the amount of sales predicted in the first year and reaching the milestone of one million m-tickets sold after only nine months. With around 40,000 regular customers and 1.6 million m-tickets sold to the end of 2014, usage and sales continue to grow steadily each month.

### **Lothian Buses**

- 3.10 Lothian Buses operates 70 services in Edinburgh and the surrounding areas of Midlothian and East Lothian with 350,000 passenger journeys per day. The company employs over 2,000 people, 1,500 of whom are drivers.
- 3.11 Lothian Buses services were endorsed by the findings of a major passenger satisfaction survey and the company had the honour of being recognised as Public Transport Operator of the Year at the Scottish Transport Awards in June 2014.
- 3.12 2014 was an extremely successful year for the company, with a record-breaking three million extra passenger journeys, taking the annual total to over 118 million. The company retained a substantial share of the local public transport market in Edinburgh and the Lothians and results for the year, while successful, are in line with the expectations of company directors.
- 3.13 The results of the 2014 national Passenger Focus survey again placed Lothian Buses among the highest performing operators in the UK with 94% of passengers satisfied with the company's overall service.
- 3.14 Edinburgh Bus Tours remains Scotland's third most popular paid-for visitor attraction and offers a five-star visitor experience as rated by Visit Scotland. Edinburgh Bus Tours welcomed over 530,000 passengers across the year; the majority were visitors to the city.
- 3.15 There has been ongoing investment in the efficient operation of the fleet and in low carbon vehicles, bought with additional support from the Government's Scottish Green Bus Fund. The hybrid bus fleet now totals 85, and many routes through Air Quality Management Areas (AQMAs) operate exclusively with these vehicles. Continuous investment has also significantly improved Lothian Buses Euro emissions standards performance. The Company is now operating vehicles at over 63% Euro V or above. Euro standards set targets for the reduction of

carbon emissions in vehicles over time. Euro V is at the high performing end of the ratings system.

- 3.16 Financially Lothian Buses performed in line with expectations, achieving an increase on turnover on 2.3% compared to the previous year and an operating profit of £9.5 (before tax). Directors are of the view that the company remains in a sound position to maintain its role as the major operator of buses and open top tours in Edinburgh and the Lothians.

### **Edinburgh Tram**

- 3.17 Edinburgh Trams operated 27 fully accessible trams, all fitted with Wi-Fi and employs 130 staff members ranging from drivers to controllers. Many of the staff who helped to ready the new service for operations remain with the company.
- 3.18 There was an initial peak of interest in the trams. On the first day of operations 21,000 passengers were carried. A total of 130,000 were carried in the first week. Over the first 100 days, the trams carried 1.5 million passengers, a period covering the launch, major events, peak summer tourism and Edinburgh festival season.
- 3.19 Patronage has remained strong. In the first seven full months of operation, there were more than three million passenger journeys undertaken resulting in an average weekly patronage of over 90,000. After the first full year of operations, up to 31 May 2014, 4.92 million passengers had used Edinburgh Trams. Current performance compared with one year ago (end June 2015 compared to June 2014) shows an increase in patronage of 5%.
- 3.20 The Edinburgh Trams service has received a 95% overall satisfaction rating in its first Passenger Focus survey. 70% of those surveyed said they were 'very satisfied' with the service - the joint highest percentage of tram operators surveyed.
- 3.21 In its first full year of operation, the service surpassed revenue targets set out in its business model by around 3%. Concessionary card holders account for 10.9% of passengers which is within the business model assumptions. Current performance compared with one year ago (end June 2015 compared to June 2014) shows an increase in revenue of 11%.

### **Objectives for the next 12 months**

- 3.22 The Council and Transport for Edinburgh have been involved in extensive discussions on the future direction for Transport for Edinburgh and its companies and their critical role in the Council's vision for transport, as articulated in the Local Transport Strategy and in particular the delivery of integrated transport.
- 3.23 Lothian Buses and Edinburgh Tram have a number of operational objectives that they intend to deliver during the course of this year and into 2016. These include:

### Excellent customer service

Transport for Edinburgh will continue to invest in staff training and development. High street presence in the form of the travel-shops will be further developed. The company will stay at the forefront of new ticketing and information technology to drive revenue and also to ensure customers have easy access to information and services. The focus on high levels of customer service and satisfaction will remain a priority and be closely monitored and benchmarked through external organisations such as Transport Focus.

### Ticketing and Fares

Transport for Edinburgh companies offer value for money when compared to other travel options and the wider bus industry. The city has a well-developed extensive network and prices remain low with an extensive suite of ticketing options. This includes discount option such as day tickets and the Ridacard. Lothian Buses will continue to offer value for money whilst delivering high quality services through the close analysis, management and development of the route network and through the development of a fit for purpose ticketing and fares strategy.

### Growing patronage

Lothian Buses has achieved an upward trend in patronage in recent years and the intention of the Directors is to continue this trend. Edinburgh Trams will also continue to grow patronage in-line with, or ahead of original projections. Fluctuations can occur in the short term but over a period of years, with ongoing network developments, the deployment of targeted campaigns and a commitment to achieving high customer satisfaction ratings, both Lothian Buses and Edinburgh Tram can benefit from and contribute to an increasing appetite for public transport. Edinburgh Tram's sales and marketing activities will continue to focus on Edinburgh Airport, but also on Ingliston Park & Ride, West Edinburgh Retail/Business/Further Education sites as well as integration with the existing Lothian Buses network.

### Fleet investment

Lothian Buses commitment to improving the environment in Edinburgh will continue as a key priority. The Company operates the largest fleet of hybrid buses (proportionately) outside London and will continue to invest heavily to satisfy customer expectations and to achieve local and nationally set environmental targets.

Work will continue on the pioneering City Mobility project which will provide full electric vehicle operation with reduced noise, odours and ultimately, no CO2 emissions within Edinburgh and East Lothian's Air Quality Management Areas. This approach will considerably reduce the environmental impact of buses and will save up to 40% in diesel use. The new technology is due to launch in 2017. A detailed budget submission will be made to the Council later in the year.

#### Timetabling and journey times

Edinburgh Tram will continue to improve journey times and will carry out a track speed study to see if there is scope to make further improvements. Increasing the frequency of services including Sunday services and an early morning service from the airport will also be explored.

3.24 The City of Edinburgh Council has had input into identifying these objectives particularly the need for a fares strategy and a marketing plan for increasing patronage. The Council has also identified additional workstreams that it would like Transport for Edinburgh to take forward including:

- Updating of business plans.
- Early engagement with the Council on budget preparation.
- An increased focus on making efficiencies and savings.

3.25 Transport for Edinburgh's financial year runs from 1<sup>st</sup> January to 31<sup>st</sup> December. It is proposed that Council officers work with TfE and its companies to develop and agree targets for the financial year 2016, based on the above objectives, and to report these back to Committee in January 2016.

#### **Integration**

3.26 Public transport integration is one of the key objectives of the Council's Local Transport Strategy and of Transport for Edinburgh. The Board of Transport for Edinburgh has identified four workstreams that should be taken forward, in collaboration with the Council, to deliver integration. These are:

- Ticketing – the development of integrated single tickets or travel accounts that enable access to multiple operators and modes of transport (bus, tram, rail, car club etc).
- Brand and Marketing – promoting the Transport for Edinburgh brand and building on this asset.
- Strategic Planning – promoting and managing multi-modal transport and managing any potential conflicts which may emerge between modes (eg large promotion of active travel could be seen as impacting on bus core business).
- Strategic Commercial Investment – targeting areas for investment and determining partnership strategies.

3.27 In discussions at the Transport for Edinburgh Board and between Transport for Edinburgh and the Council about how best to take forward integration, there has been a particular focus on how the governance of and the working relationships between the three companies can be enhanced to ensure meaningful delivery. The changes to the membership of the board of Edinburgh Tram and Transport for Edinburgh, and appointments of new directors to the boards (see chart below) of all three companies will assist in developing a collaborative approach to achieving further integration. Amongst the recent new appointments have been new chairs of the Boards of Lothian Buses and Edinburgh Tram, both of whom will also sit on the board of Transport for Edinburgh. TfE will, in conjunction with the Council, keep under review its governance arrangements and the effectiveness of the relationships between its companies in delivering the integration agenda.

**TfE Boards: Non-Executive Directors**



3.28 Following the appointment of the new directors, it is intended to recruit General Managers for both Edinburgh Tram and Lothian Buses and a Chief Executive of Transport for Edinburgh. It is also intended that the Chief Executive, as well as sitting on the Board of TfE, will also be a member of the boards of Lothian Buses and Edinburgh Tram.

**Measures of success**

4.1 The Council, Transport for Edinburgh, Lothian Buses and Edinburgh Tram work closely to ensure that Edinburgh benefits from a high quality and profitable integrated public transport system which assists the Council to achieve its objectives and outcomes as set out in the Local Transport Strategy 2014-19.

## **Financial impact**

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- 5.1 There are no direct financial impacts arising from this report.

## **Risk, policy, compliance and governance impact**

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- 6.1 The governance and monitoring arrangements for Transport for Edinburgh secure an appropriate level of shareholder control for the Council, and ensure there is good governance, management of financial risk and a safeguard for the Council's investment in integrated transport in Edinburgh.

## **Equalities impact**

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- 7.1 Transport for Edinburgh and its companies provide high quality, accessible transport and which helps to promote social inclusion.
- 7.2 There are no equalities or human rights impacts arising directly from this report.

## **Sustainability impact**

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- 8.1 The principle operation undertaken by Transport for Edinburgh and its companies contributes greatly towards a high quality, accessible and well integrated public transport system. This reduces dependency on car travel, reduces congestions and emissions.

## **Consultation and engagement**

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- 9.1 Lothian Buses and Edinburgh Tram have both been involved in the preparation of this report. The proposals relating to integrated transport have been discussed by the Board of Transport for Edinburgh.

## Background reading/external references

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[Edinburgh Tram - Preparing for Operations](#) - City of Edinburgh Council, 22 August 2013

[Local Transport Strategy 2014-2019](#)

### John Bury

Acting Director, Services for Communities

Contact: David Lyon, Acting Head of Transport

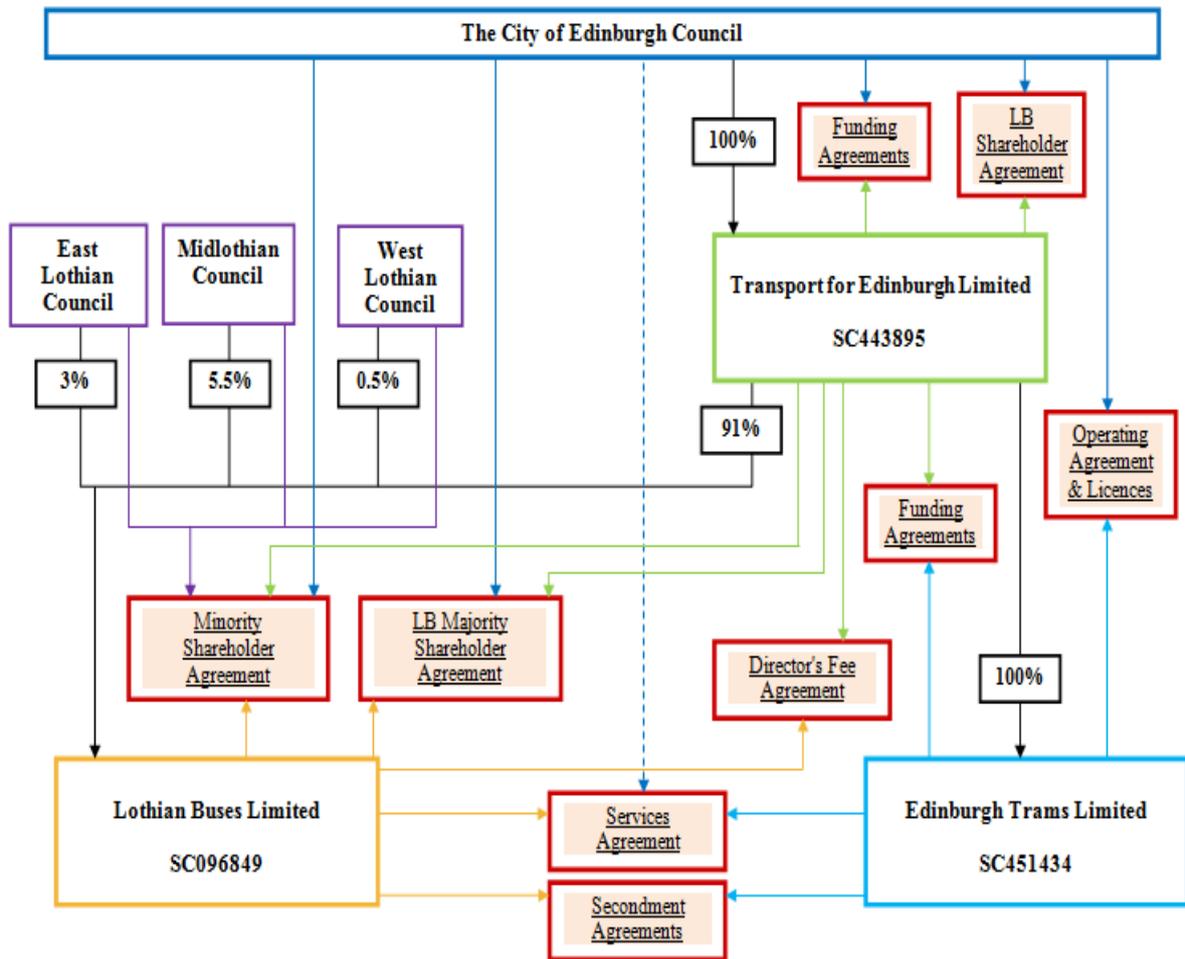
E-mail: [david.lyon@edinburgh.gov.uk](mailto:david.lyon@edinburgh.gov.uk) | Tel: 0131 529 7047

## Links

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<b>Coalition pledges</b>	<b>P19</b> – Keep Lothian Buses in public hands and encourage the improvement of routes and times. <b>P50</b> – Meet greenhouse gas targets, including the national target of 42% by 2020.
<b>Council outcomes</b>	<b>CO8</b> – Edinburgh’s economy creates and sustains job opportunities. <b>CO22</b> – Moving Efficiently – Edinburgh has a transport system that improves connectivity and is green, healthy and accessible. <b>CO26</b> – The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives.
<b>Single Outcome Agreement</b>	<b>SO1</b> - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all.
<b>Appendices</b>	Appendix 1 Transport for Edinburgh- Company Structure. Appendix 2 Transport for Edinburgh – Performance 2014 and Objectives for 2015

Appendix 1



## **Transport for Edinburgh**

### **Group vision and progress to date**

In 2013, Lothian Buses and Edinburgh Trams came together under the umbrella of Transport for Edinburgh. This has allowed passengers to benefit from a simple, integrated operation which provides shared ticketing and customer services.

Corporate support services such as finance, human resources, facilities management, marketing and corporate communications at Lothian Buses also support Edinburgh Trams to minimise costs and to maximise value across the whole group.

### **Building the brand**

Transport for Edinburgh provides an overarching identity for services, preserving the valuable brand of Lothian Buses and successfully introducing and establishing Edinburgh Trams.

Shared products and services adopt common branding, with the bus and tram livery remaining intact. The app, Ridacard and Citysmart products are all positioned as Transport for Edinburgh, emphasising the integrated service provided to customers, no matter how they travel.

A similarly important change was the rebranding of the flagship Travelshop on Waverley Bridge and subsequently the Hanover Street Travelshop. The shops have been modernised and reconfigured to provide an improved experience for the many thousands of customers. Other Travelshops will be similarly upgraded in the current year.

### **Smart city**

The Lothian Buses app for phones and tablets, launched in November 2013, was rebranded as the Transport for Edinburgh app and updated to support Edinburgh Trams from May 2014.

The enhanced app combined live departure information for Edinburgh Trams and Lothian Buses, and brought together journey planning and service information from all parts of Transport for Edinburgh.

There were over 200,000 downloads over the course of 2014; it is used by more than 400 customers at any given moment during peak travel times, and tens of thousands use it daily to help with travel around the city.

### **Wi-Fi**

In December 2014, the installation of the very latest 4G Wi-Fi on all buses and trams was completed, thanks to funding received from the Connected Capital Programme via the City of Edinburgh Council. This now means passengers have free access to internet services when using all services, including Edinburgh Bus Tours.

As well as providing a better customer experience, the Wi-Fi hardware has benefits behind the scenes, such as improved tracking of vehicles by GPS, further upgrade capabilities for other vehicle technology, and better quality information for its app, especially those functions used by blind or partially sighted people.

## **Smart ticketing**

While many traditional ticket options remain popular with customers, new technologies are exploited to offer more flexibility and convenience, especially to meet the needs of the digital generation.

In September 2014, Citysmart was launched, a multi-journey card that allows passengers to purchase single bus and tram journeys before travelling. Citysmart has proved to be popular with customers, with almost 500,000 journeys recorded using the card since launch.

The m-tickets app, which complements the main travel information app, continues to provide customers with an innovative way to pre-purchase different types of ticket for use on buses and trams. Developed in partnership with Corethree (a systems company that deliver ticketing, real-time information and multi-modal services on smartphones), the app has been hugely successful - achieving more than double the amount of sales predicted in the first year and reaching the milestone of one million m tickets sold after only nine months. With around 40,000 regular customers and 3 million m-tickets sold to date, usage and sales continue to grow steadily each month.

## **Lothian Buses – the UK’s most successful publicly owned bus company**

Lothian Buses continues to operate at the highest levels of performance and quality as the UK’s most successful publicly owned bus company. The company’s vision is to be an integral part of the future success of Edinburgh and the Lothians by providing world-class, environmentally-friendly and socially inclusive transport. The company is committed to innovation, the highest levels of customer service and value for money for its customers.

Lothian Buses operates 70 services in Edinburgh and the surrounding areas of Midlothian and East Lothian with 350,000 passenger journeys per day. The company employs over 2,000 people, 1,500 of whom are drivers.

2014 was an extremely successful year for the company, with a record-breaking 3 million extra passenger journeys, taking the annual total to over 118 million.

Lothian Buses services were endorsed by the findings of a major passenger satisfaction survey and the company had the honour of being recognised as Public Transport Operator of the Year at the Scottish Transport Awards in June 2014.

The company commands an 85% share of the local public transport market in Edinburgh and the Lothians and results for the year, while successful, are in line with the expectations of company directors.

### **Edinburgh Bus tours**

Edinburgh Bus Tours, is a true Edinburgh success story and, through a process of growth and acquisition, is now Scotland’s third most popular paid-for visitor attraction behind only Edinburgh Castle and Edinburgh Zoo. The attraction offers a five-star visitor experience as rated by Visit Scotland and makes a significant impact on the Capital’s economy. The tours also play a key role in the city’s tourism industry by linking other popular attractions such as the Royal Yacht Britannia and

the Palace of Holyroodhouse and welcoming over 530,000 passengers - mostly visitors to the city - across the year.

Directors are of the view that Lothian remains in a sound position to maintain and further enhance its role as the major operator of buses and open top tours in Edinburgh and the Lothians.

### Financial performance – Lothian Buses

<b>Turnover</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
£'000	122,675	132,263	135,260
<b>Profit before tax</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
£'000	9,416	11,653	10,143
<b>Dividend</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
City of Edinburgh	3003,014	3,000,014	5,000,000
Midlothian	180,285	180,285	300,475
East Lothian	103,020	103,020	171,700
West Lothian	12,877	12,877	21,462
<b>Total</b>	<b>3,296,196</b>	<b>3,296,196</b>	<b>5,493,637</b>

### Service Delivery

#### Passenger satisfaction success

The results of the 2014 national Passenger Focus survey again placed Lothian Buses among the highest performing operators in the UK with 94% of passengers satisfied with the company's overall service.

Lothian Buses exceeded last year's results in relation to fares with 83% of passengers saying they were satisfied with the value for money, the best rating in the UK by a significant margin.

Other areas where Lothian Buses were rated highly with customers included:

- Availability of seating and standing space on the bus (94%)
- Personal security whilst on bus (91%)
- Safety of driving (90%)
- Cleanliness and condition of vehicles (89%)
- Punctuality of bus (89%)

#### Passenger numbers up again

Patronage rose from 115.4 million in 2013 to 118.4 million in 2014. 2014 patronage was a record performance for the company with three million more passengers improving that number in a year that also saw three million new passengers use the tram.

## The industry leader - new technologies and vehicle Investment

Lothian Buses has committed to operating a high quality, young and modern bus fleet to ensure that customer satisfaction objectives are met and to support government and city environmental objectives.

Low carbon vehicles have been bought with additional support from the Government's Scottish Green Bus Fund. The hybrid bus fleet now totals 85, and many routes through Air Quality Management Areas (AQMAS) operate exclusively with these vehicles. Ongoing investment in high quality bus fleet has also significantly increased Euro standards performance. The Company is now operating vehicles at over 60% Euro V or above. Euro standards set targets for the reduction of carbon emissions in vehicles over time and Lothian Buses sits at the forefront of performance in this area.

The Scottish Government has set key national targets to reduce CO2 emissions by 42% by 2020, compared to the 1990 baseline. Alongside this, there were four key transformational outcomes to accompany the target. The key target for the Company as a bus operator is the almost complete decarbonisation of road transport by 2050, with significant progress to be made by 2030.

In partnership with the City of Edinburgh Council Lothian Buses has set targets to support the 42% reduction target under the Sustainable Energy Action Plan. Such targets include Lothian Buses' energy being met from 100% renewable energy sources. 15% of the fleet is scheduled to be operated by hybrid vehicles by the end of 2015. Electric-hybrid vehicles are intended to be introduced into the fleet by mid-2017.

The company recently entered into a partnership with the Air Quality and Sustainability teams at the City of Edinburgh Council. Through this the company supports the Sustainable Energy Action Plan which aims to reduce carbon emissions across the city by 42% by 2020.

### **Looking forward to 2016**

Lothian Buses sits at the heart of life in Edinburgh. Residents rely on their services which are reliable, clean, comfortable and great value for money. A Corporate Social Responsibility programme supports local charities, engages positively with the community and places a strong emphasis on providing training opportunities for local people. Looking forward, Lothian Buses Directors' objective is to dedicate resources and efforts to ensure that the highest levels of quality and performance are achieved

This will be achieved by focussing on the following priorities:

#### Excellent customer service

Lothian Buses will continue to invest in staff training and development. High street presence in the form of the travelshops will be further developed. The company will stay at the forefront of new ticketing and information technology to drive revenue and also to ensure customers have easy access to information, services and payment options. Replacement of on-bus ticketing hardware will be an investment priority with technology options currently under review.

### Value for money

Lothian Buses continues to offer good value for money when compared to other travel options and the wider bus industry. The city has a well-developed and extensive network and prices remain low with a wide range of ticketing options. This includes discount options such as day tickets and Ridacard. Lothian Buses will continue to offer value for money whilst delivering high quality services through the close analysis, management and development of the route network and through the continual delivery of the fares and ticketing strategy.

### Growing patronage

Lothian Buses has achieved an upward trend in patronage in recent years and the intention of the Directors is to continue this. Fluctuations can occur in the short-term but over a period of years, with ongoing network developments, the deployment of targeted campaigns and a commitment to achieving high customer satisfaction ratings, Lothian Buses can benefit from and contribute to an increasing appetite for public transport.

### Fleet investment

Lothian Buses commitment to improving the environment in Edinburgh will continue as a key priority. The Company operates the largest fleet of hybrid buses (proportionately) outside London and will continue to invest heavily to satisfy customer expectations and to achieve local and nationally set environmental targets.

Work will continue on the pioneering City Mobility project which will provide full electric vehicle operation with reduced noise, odours and ultimately, no CO2 emissions within Edinburgh and East Lothian's Air Quality Management Areas. This approach will considerably reduce the environmental impact of buses and will save up to 40% in diesel use. The new technology is due to launch in 2017.

A detailed budget submission will be made to the Council later in the year.

## **Edinburgh Trams - rising to the challenge in year one**

Approximately 4.92 million passenger journeys were taken on Edinburgh Trams during its first year of operations - around 370,000 ahead of the target set before launch.

Launched on Saturday 31 May 2014 at 5am, Edinburgh Trams also surpassed revenue targets set out in its business model by around 3%. Concessionary card holders are currently accounting for 10.9% of passengers, which is well within the business model assumptions and ensures that Edinburgh's card holders get free travel on the tram.

Edinburgh Trams received a 95% overall customer satisfaction rating following an independent UK wide survey by Passenger Focus and operated with 99% service reliability. This means that reliability and satisfaction levels are among the top performing public transport operators in the UK.

Edinburgh Trams operates 27 fully accessible trams, all fitted with Wi-Fi and employs 130 staff members ranging from drivers to controllers. Many of the staff who helped to ready the new service

for operations remain with the company.

## **Events and challenges**

After the initial – and very high-profile – launch of the service, several major challenges were faced in quick succession.

Many of the 60,000 One Direction fans and their parents attending the concert at Murrayfield Stadium in June 2014 used the trams. The same venue then played host to two Champions' League games. Having proved its resilience during huge spikes of activity, it then experienced the more prolonged increase of passenger numbers when Edinburgh's population doubled during the internationally-renowned festival season, with visitors flocking from all over the world.

The usual challenges encountered with any operational tram network were faced, including vehicles being parked on the tram line and a few minor collisions with other road users. Interruptions to the power supply also impacted services during the first few months of operation. Thankfully, these incidents are few and far between and every situation provides a new opportunity for staff to learn about more efficient and even safer ways to operate the service.

Other positive results include the Park and Ride facility at Ingliston, which is served by the tram, achieving nearly double the number of passengers, a 38% increase in passengers and the tram network as a whole meeting 99% service reliability (scheduled trams covering the full route).

Overall, the patronage and revenue figures are in line with the business model set out prior to launch.

## **2014 Performance**

### **Finance**

In its first full year of operation the service surpassed revenue targets set out in its business model by around 3%. Concessionary card holders account for 10.9% of passengers which is well within the Council's budget.

Current performance compared with one year ago (end June 2015 compared to June 2014) shows an increase in revenue of 11%.

### **Service delivery**

#### Passenger numbers

There was a huge initial peak of interest in the trams. On the first day of operations 21,000 passengers were carried and a total of 130,000 in the first week. Over the first 100 days, the trams carried 1.5 million passengers, a period covering the launch, major events, peak summer tourism and Edinburgh festival season. After the first full year of operations up to 31<sup>st</sup> May 2014, 4.92 million passengers had used Edinburgh Trams, just over 94,000 a week.

Current performance compared with one year ago (end June 2015 compared to June 2014) shows an increase in patronage of 5%.

### Passenger satisfaction success

The Edinburgh Trams service has received a 95% overall satisfaction rating in its first Passenger Focus survey. 70% of those surveyed said they were 'very satisfied' with the service - the joint highest percentage of tram operators surveyed.

In the research by, some of the top factors driving positive reviews were:

- Punctuality – 94% overall satisfaction
- Journey time – 86% overall satisfaction
- Safety of driving – 94% overall satisfaction
- Distance of tram stop from start of journey – 82% overall satisfaction
- Space - 82% overall satisfaction
- Value for money – 83% overall satisfaction
- Information provided at the stop – 87% overall satisfaction

### **Looking forward**

With passenger numbers and revenues healthy at this early stage of year two of operations, focus remains on delivering the highest levels of customer service and service reliability. Growth of the business sits at the centre of this approach with new targets to achieve for the second year. Opportunities for growth at the airport, Ingliston Park & Ride, within further and higher education institutions and at the retail parks will be targeted.

A recent trial of bicycle carriage ran smoothly and received positive feedback which found both passengers and staff were favour of making the trial a permanent part of the service. This arrangement is now in place. Consideration is now being given to trailing improved access for those use mobility scooters.