

Transport and Environment Committee

10am, Tuesday, 30 August 2016

Supported Bus Services Network; Update

Item number	7.1
Report number	
Executive/routine	Executive
Wards	

Executive Summary

On 15 March 2016, the Committee received a report which approved:

- termination of financial support for bus services 42, 60, 64 and 70;
- implementation of an enhanced service 18, subject to tender returns;
- renewal or continuation of contracts for the 13, 20, 38, 63, and 68;
- withdrawal of financial support for festive bus services;
- consultation with West Lothian Council on cross-boundary services; and
- required a further report on the outcome of these actions.

Committee also decided that every effort should be made to secure sponsorship of Festive bus services, and the outcome be reported to the August meeting for further consideration. This report updates Committee on developments.

Links

Coalition Pledges	P19
Council Priorities	CP11
Single Outcome Agreement	SO1

Supported Bus Services Network; Update

1. Recommendations

- 1.1 It is recommended that Committee:
- notes this report;
 - notes the contracts for services 38 and 20 (Chesser-Gyle section);
 - requests that Lothian Buses consider extending the 63 to Balerno, to ensure access to hospitals following the loss of the Horsburgh 24;
 - notes the open competition taking place for a four year contract for the service 13; and
 - notes that Lothian Buses Alternative Tender for the service 18 has been accepted at a cost of £2,825 per week (£146,900 per year) for up to four years.

2. Background

- 2.1 On 15 March 2016, Committee approved withdrawal of financial support for some supported bus services (42, 60, 64, 70 and Christmas/New Year services), continuation of support for others (13, 20, 38, 63, and 68), and testing the market for an enhanced 18.
- 2.2 West Lothian Council subsequently withdrew financial support for two cross-boundary services, the 24 (Juniper Green-Livingston) and the 23 (a Bathgate-Newton service extended to South Queensferry); these services ended in April.

3. Main report

- 3.1 The contracts for Lothian Buses 63 (Queensferry-Riccarton) and Waverley Travel 68 (Gyle-Clermiston) expire in 2018, so require no further action at present.
- 3.2 Route 20 comprises two separate contracts, Ratho-Gyle and Gyle-Chesser. Only Gyle-Chesser is due to expire. The existing contract will be extended to expire on the same date as Ratho-Gyle and the entire route (if appropriate) then re-tendered. The framework contract ends in August 2017, so both contracts will terminate then. Meanwhile, the Gyle-Chesser contract will continue as at present; the current cost is £2,975.75/week.

- 3.3 The contract for service 38 (Granton-RIE) comprises a frequency increase from two to three buses every hour from 0800 to 1700 Monday-Friday. The supported buses are integrated with the commercial service, so only the commercial operator (Lothian Buses) can fulfil the contract. A contract until the end of the framework has been agreed (August 2017), at a current cost of £2,098/week.
- 3.4 Tenders for the 13 were invited under the framework. The existing service pattern, Findlay Gardens-New Town-Craigleith Retail Park, Monday-Saturday hourly was specified. The bids received did not meet the Council's requirements, and the contract will be subject to open competition.
- 3.5 The 18 (Gyle-Fairmilehead-RIE) is supported during off-peak hours. The previous contract (which expired on 31 July) was operated by Firstbus. In peak hours Lothian Buses operates the route commercially. The report to Committee on 15 March 2016 indicated value in doubling the off-peak frequency with alternate journeys to/from Currie/Balerno and via Firrhill. This was market tested; tenders were invited under the framework.
- 3.6 The best value, and cheapest, bid was Lothian Buses alternative tender, at a cost of £2,825/wk (£146,900/yr). This is about £60,000/yr more than previously. The other bids were unaffordable, increasing the cost to at least £290,000/yr. Lothian Buses did not submit a price for the double frequency variation, but clearly it would be unaffordable.
- 3.7 For the new contracts, operators were invited to submit tenders including acceptance of other operators' tickets. Responses were poor. As Lothian Buses will now operate the 18, all its tickets will be available on this route, mitigating the previous issue of different tickets being required for peak and off-peak buses.
- 3.8 Withdrawal of the 42, 60, 64, and 70 reduced supported service spending by about £227,000/yr. All continuing and discontinued services are listed in Appendix 1.
- 3.9 The cost of cross-boundary services has reduced by around £57,000/yr, mainly due to withdrawal of the 24 as set out in paragraph 2.2. Discussions continue with West Lothian Council about options to mitigate the loss of the 24; there may be a range of options, and final outcomes will be reported to Committee.
- 3.10 The £29,000 previously spent on Christmas and New Year bus services comprised:
£16,000 towards Firstbus services commissioned by West Lothian Council: Edinburgh to Livingston/Bathgate, to Kirkliston/Linlithgow/Falkirk/Stirling, Broxburn, Whitburn, Fauldhouse, West Calder.
£13,000 for Edinburgh-South Queensferry services (including a Unique Events contribution of about £1,000).
Diageo pays Lothian Buses directly for other festive services within Edinburgh; the Council is not directly involved.

- 3.11 Total projected savings over a year are therefore £313,000, which more than meets the gap of £275,000 between the budget and expenditure in 2015-16. However, a Section 75 contribution which helped fund service 63 has now been fully used. Elsewhere, a third-party contribution to service 20 has been reduced by £12,500 and may be withdrawn completely. Because of this, and expenditure during the 70 day deregistration period for withdrawn services, there is a projected overspend on the supported service budget in 2016-17. This is estimated at £135,000. Measures to address this are being considered.
- 3.12 In April 2016, Lothian Buses increased its single fare to £1.60. To keep fares on supported services (including those operated by Lothian Buses) aligned with fares across the city, it was agreed to raise supported service single fares to £1.60. When fares increase, the annual inflation increment normally paid by the Council to operators is not applied. Therefore there will be no inflationary impact on the Council's payments to bus operators this year. As inflation is currently very low, the additional fares revenue is better value for operators.
- 3.13 Committee decided that every effort would be made to secure sponsorship of Festive bus services. Invitations to sponsor services were extended to Council suppliers via 'community benefits' provisions in procurement contracts. They were also extended to Essential Edinburgh and the Edinburgh Business Forum. The Forum indicated that it would not be appropriate to request its members' support. No offers of sponsorship have been made.
- 3.14 Residents of Currie, Balerno, and Cramond have made representations following withdrawal of the 24, 70 and 64. In summary, these appear to seek replacement of the 24, and at least partial (a few services/week) replacement of the 64.
- 3.15 Reinstating the 24 is not possible. The total route cost £110,000/yr, West Lothian Council's share being around £60,000, and over half the route was outwith the Edinburgh Council area. It is recognised that access to St John's Hospital is problematic, so options to mitigate this are being considered. The primary objective is to provide, for residents of Balerno, Currie and Juniper Green, access with one bus-bus interchange to both the RIE and St John's Hospitals, and the Gyle. This is the subject of continuing discussions.
- 3.16 It had been hoped that overall savings would suffice to finance other mitigation. The request for a few services each week to replace the 64 would probably be relatively cheap, but in effect, as shown in paragraph 3.5, the significant increase in the cost of the 18 removed this possibility.

4. Measures of success

- 4.1 The Council's investment in supported bus services is targeted at routes that deliver the greatest social, economic and transport related benefits.

5. Financial impact

- 5.1 The Council budget for supported services 2016/17 is £1.1m/yr.
- 5.2 The Council usually makes annual inflation adjustments to contract prices each summer, except if fares have increased during the previous year. As Lothian Buses increased its single adult fare to £1.60 in April 2016, this increase was applied to all supported services; consequently the Council will not bear an increased inflation cost in the current financial year.
- 5.3 It is anticipated that inflation in bids for expired (and any new) contracts will outstrip generalised inflation.

6. Risk, policy, compliance and governance impact

- 6.1 Deployment of the methodology for assessing supported bus services ensures that the services the Council supports align with its strategic transport objectives, and represent value for money.

7. Equalities impact

- 7.1 The outcomes of this report in relation of the 10 areas of rights and the delivery of the three Public Sector Equality Duties (PSED) have been considered. Any reduction in supported bus services will have negative impacts on these.

8. Sustainability impact

- 8.1 The impacts of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered. Any change to supported public transport provision is likely to affect these elements. The impact of supported bus services on carbon emissions and air pollution is one of the criteria built into the assessment methodology.
- 8.2 Access to health facilities, shopping and employment for older people, disabled people and those from areas of social deprivation and high unemployment are significant factors that have been taken into account in the assessment of supported services.

9. Consultation and engagement

- 9.1 Consultation was undertaken with bus operators. Consultation previously took place with bus users on the criteria used by the Subsam assessment tool.

10. Background reading/external references

10.1 Supported Bus Services future network - Transport and Environment Committee, 15 March 2016.

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11. Links

Coalition Pledges	P19 - Keep Lothian Buses in public hands and encourage the improvement of routes and times
Council Priorities	CP11 – An accessible connected city
Single Outcome Agreement	SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all
Appendices	1. Continuing/discontinued supported route details

Appendix 1 Continuing/discontinued supported route details

Operator	Service Number	Projected Annual Subsidy (rounded)	Contract Route and description	Due to expire
Edinburgh Coach Lines	13		Craigleith-Blackhall-Ravelston-West End-New Town-McDonald Rd-Dalmeny St-Lochend-Findlay Gdns. Wholly subsidised. Sole public transport to Dean Galleries and parts of New Town	
First	18		Gyle - Fairmilehead – RIE. Off-peak link across south Edinburgh to work, education, leisure, RIE. Commercial in peak	26/7/16
Lothian Buses	20	£154,500	Chesser-Wester Hailes-Hermiston Gait. Retail, work, leisure, for communities isolated from main bus network. Service outwith main bus corridors, connecting them and out-of-centre activities. Subsidy includes Tesco contribution	
Lothian Buses	20 extn	£266,000	Ratho-Gyle. Extension links Ratho, Gyle and services to/from City Centre	31/5/18
Lothian Buses	38	£94,000	Granton-WGH-Balgreen-Morningside– RIE. Frequency enhancement ensures commercial viability	
Lothian Buses	42	£60,500	City Centre-Portobello (evenings and weekend)	
Various		£29,000	Xmas/Hogmanay Buses	Discontinued
Lothian Buses	60	£42,000	Scottish Parliament-Southside-Bristo. Service outwith main bus corridors, connecting them and out-of-centre activities	Discontinued June 2016
Lothian Buses	63	£241,500	Queensferry-Kirkliston-RBS-Gyle-Edinburgh Pk-Stevenson Coll-Hermiston Gait- Sighthill-Hermiston P&R-Riccarton. Hourly link to work, education, leisure, retail	27/7/18
Horsburgh	64	£158,500	D Mains-Cramond-Maybury-Edinburgh Pk. Hourly frequency most of the day. Access to work, retail, leisure	Discontinued June 2016
Waverley Travel	68	£74,000	Gyle- Corstorphine - Clermiston. Off-peak, provides retail access for mainly elderly users. Sole public transport for Turnhouse	31/3/18
Waverley Travel	70	£15,000	Balerno-Currie-Gyle. Retail access, mainly for elderly residents not on a bus route. One return journey Weds, Fri, two returns Sat	Discontinued June 2016

Cross-boundary services (all West Lothian, contract managed by WLC)				
Horsburgh	7	£69,500	Winchburgh – Queensferry. Links St John's Hospital when no other direct service (early AM, late PM, evenings Mon-Sat)	
Horsburgh	40/X40	£7,000	St John's - RIE. 4 return journeys per day diverted to connect Ratho directly with hospitals	
Horsburgh	24	£50,500	Juniper Green - Currie - St John's Hospital. Six return journeys per day	Discontinued June 2016
First	22A		Harthill - Livingston- Winchburgh. South Queensferry extension Mon- Sat	
	23		Bathgate extension to South Queensferry. No CEC subsidy	Discontinued June 2016
First	10, 27, 28, 38, 212		Christmas, New Year	CEC subsidy discontinued