

# Transport and Environment Committee

10am, Tuesday, 12 January 2016

## Transport for Edinburgh – Developing a Strategic Plan

Item number	7.8
Report number	
Executive/routine	
Wards	

### Executive summary

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Transport for Edinburgh 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 Transport for Edinburgh holds the Council's share in Lothian Buses.

The Transport for Edinburgh Annual Performance Review was considered by Committee in August 2015, and since then the Transport for Edinburgh Board has instructed the company's incoming Chief Executive to develop a Transport for Edinburgh strategic company plan.

### 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 – Developing a Strategic Plan

### Recommendations

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- 1.1 It is recommended that Transport and Environment Committee:
  - 1.1.1 notes the content of the report; and
  - 1.1.2 notes that the Transport for Edinburgh Strategic Plan will be reported to Committee later this year.

### Background

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- 2.1 At its meeting on 25 August 2015 the Transport and Environment Committee noted the contents of the Transport for Edinburgh – Annual Performance Review and requested a report within two cycles setting company targets for 2016.
- 2.2 At its meeting of 18 December 2015, the Transport for Edinburgh Board instructed the incoming Chief Executive to put in place the required project governance, plan and program to develop a Transport for Edinburgh Strategic Plan.
- 2.3 This plan will provide strategic direction and outcomes for the company and will inform the operational plans of Lothian Buses and Edinburgh Tram.

### Main report

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- 3.1 At its meeting on 19 November 2015, the City of Edinburgh Council received a report on the recruitment of a Chief Executive of Transport for Edinburgh, a Managing Director of Lothian Buses and a General Manager of Edinburgh Tram.
- 3.2 The Council agreed to delegate authority to the Chief Executive to provide the consents required to allow the successful candidates to be appointed. A further report, updated the Council, at its meeting on 10 December 2015. The new composition and membership of Transport for Edinburgh, Lothian Buses, and Edinburgh Tram were also reported to Council and form an appendix to this report.

- 3.3 At its meeting of 18 December 2015, the Transport for Edinburgh Board decided to develop a strategic plan, setting the strategic direction and outcomes for the company and its subsidiary companies, Lothian Buses and Edinburgh Tram. The Board agreed that the plan should be developed within the context of the Council's current Local Transport Strategy and approved draft Local Development Plan.
- 3.4 The Board instructed the incoming Chief Executive to develop project governance, and a program to develop a plan to meet the required timescales. It is important to undertake this work quickly as there are time imperatives especially associated with approving Lothian Buses new operating plan. The next meeting of the board is 4 March 2016 and in order to expedite progress, the board agreed to delegate authority to the Chair, in consultation with board members, to approve project management and resource plans.
- 3.5 The existing Lothian Buses operational plan expires at the end of 2016, and the company needs to develop a new plan to commence at the start of 2017. It is a requirement of the shareholder agreement between the Council, Transport for Edinburgh, and Lothian Buses that this plan be approved by the Council. Lothian Buses proposes to submit the plan to the Council for approval in September 2016.
- 3.6 It is important to develop operational plans at both Lothian Buses and Edinburgh Tram that facilitate and support wider Council and city ambitions. In particular, that they provide high quality integrated public transport which will assist with the planned growth and expansion of the city in a sustainable and environmentally acceptable way. The proposed Transport for Edinburgh strategic plan will provide the overarching strategic framework to enable this.
- 3.7 Both Lothian Buses and Edinburgh Tram have developed and agreed their budgets for 2016. These have been developed using the objectives and targets contained in their respective operational plans.
- 3.8 In the future specific operating company objectives and targets will be set within the framework of outcomes set in the Transport for Edinburgh Strategic plan.

## Measures of success

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- 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 are 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 which helps 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 operations 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 congestion and emissions.

## Consultation and engagement

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- 9.1 A working group comprising representatives of the Council, Lothian Buses and Edinburgh Trams have collaboratively developed the targets in this report.

## Background reading/external references

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Transport for Edinburgh – Annual Performance Review, Transport and Environment Committee, Tuesday 25 August 2015

Transport for Edinburgh – Recruitment of Senior Managers and Appointment of Directors to Boards, City of Edinburgh Council, 19 November 2015

Transport for Edinburgh – Changes to composition of company boards and appointment of Directors, City of Edinburgh Council, 10 December 2015

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## Links

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

## APPENDIX 1 – PROPOSED BOARD MEMBERS

	<b>Transport for Edinburgh</b>	<b>Lothian Buses</b>	<b>Edinburgh Tram</b>
<b>Chair</b>	Lesley Hinds	Jim McFarlane	Charles Monhiem
<b>Executive Directors</b>	George Lowder	Richard Hall Bill Campbell Bill Devlin Norman Strachan	
<b>Non Executive Directors</b>	Steve Cassidy Joanna Mowat Adam McVey Nigel Bagshaw Jim McFarlane Charles Monhiem	Donald MacLeod Tony Rose Susan Deacon Steve Cassidy Mark Yexley Charlene Wallace	Charlene Wallace Andy Neal George Lowder
		Employee Representative	
		George Lowder (Observer)	
	Council Observer	Majority Shareholder Observer Minority Shareholders Observer	Council Observer