

Transport and Environment Committee

10am, Tuesday, 15 March 2016

Supported Bus Services future network

Item number	7.12
Report number	
Executive/routine	
Wards	

Executive summary

On 13 January, 25 August and 27 October 2015, the Committee received reports on the development of a revised system for procuring supported bus services, including a tool to assess value for money and non-financial benefits of these services.

This report provides an update on the assessment of services.

Links

Coalition pledges	
Council priorities	CO9 , CO10 , CO22
Single Outcome Agreement	SO1

Supported Bus Services future network

Recommendations

- 1.1 It is recommended that Committee:
- notes the outcome of the assessment of supported bus services;
 - approves the termination of contracts offering fewest benefits (taking account of any mitigating factors) ie the Lothian 42 and 60, Horsburgh 64 and Waverley 70;
 - approves the implementation of an enhanced service 18 with greater benefits, subject to tender returns;
 - approves the renewal or continuation of contracts for services 20, 38, 63, 13, and 68;
 - approves that festive bus services will no longer be supported, except where there is direct sponsorship by third parties;
 - authorises the Director of Place to consult West Lothian Council on cross-boundary services; and
 - receives a report on the outcome of these actions at a future meeting.

Background

- 2.1 On 25 August 2015, Committee approved the new assessment methodology to evaluate supported bus services.
- 2.2 On 27 October 2015, it was reported to Committee that the gap of £275,000 between the budget and projected expenditure on supported services in 2015-16 is being managed as a pressure within the Transport account.
- 2.3 It was also reported that discussions continue with local representatives on improving local bus services in Ratho, but that financing a direct bus service from Ratho to the city centre, and a link to the Edinburgh International Climbing Arena, is not justifiable.

Main report

- 3.1 Currently there are 16 supported services including Christmas, New Year and cross-boundary services (details in Appendix 1).
- 3.2 The supported bus services budget for 2015-16 is £1.1million, to which developer contributions may be added. The current gap of £275,000 between budget and projected expenditure is not sustainable, and the budget requires to be balanced in 2016-17.
- 3.3 The Subsam tool, discussed in previous reports to Committee, evaluates and assesses existing or potential routes which are fed into it. It does not identify potential new routes; this must be done manually. Therefore, to review comprehensively the network, service gaps were identified.
- 3.4 This process identified areas of Edinburgh more than 30 minutes by bus from the city centre, Ocean Terminal, Edinburgh Park or the two main hospitals. These are the main employment and medical centres, reflecting the priorities previously set by Committee. Few locations are more than 30 minutes from the city centre; so access to at least one of the other major destinations was assessed.
- 3.5 After identifying less well-served areas, age and deprivation demographics were factored in. This showed that, in absolute terms, few if any areas are very poorly served by public transport, although many have limited choice of route or mode (bus, rail or tram).
- 3.6 Some areas with poor access to hospitals, Leith and Edinburgh Park were assessed further: Currie/Balerno, Firrhill, Joppa, Magdalene, Mountcastle, Northfield, South Queensferry and Craiglockhart. The long journey times at the Clerwood/Clermiston end of the 26 route were also examined, as were the Werber and Rocheid schemes, which are close to bus routes but face very indirect and long pedestrian routes to bus stops. This illustrates that the most effective response to poor access to bus services is sometimes a simple infrastructure improvement.
- 3.7 Discussions also took place with operators to identify possible efficiencies. This helped to clarify that supported services may in some cases discourage commercial innovation. However, it is apparent that the operators are not in a position to test local 'demand-responsive' type services.
- 3.8 The outcome of this process indicated potential value in doubling the frequency of the service 18 (Gyle - Fairmilehead – RIE), but with alternate journeys routed to/from Currie/Balerno and via Firrhill.

- 3.9 Three variations of the additional service 18 were tested, all comprising an hourly service diverting at Lanark Road to/from Balerno instead of the Gyle. Being additional to the existing route, it doubles the frequency between Lanark Road and the RIE. The best performing variation outscored the existing route; with the alternate bus running via Firrhill and Comiston Road instead of Oxcgangs. As the existing service is already a high scoring route, this indicates significant benefits.
- 3.10 In summary, the existing service would double in frequency, though the route of the extra journeys would vary in some locations. The proposal enhances orbital routes, the paucity of which is a recurrent theme in comments on the bus network. It is therefore proposed that this route is market tested by going out to tender.
- 3.11 Three alternatives from Currie/Balerno to Edinburgh Park, continuing via Telford Road to the Western General Hospital, were also tested. They scored poorly, although one option (via Glasgow Road, Clermiston Road and Queensferry Road) helped resolve the long journey times at the Clermiston end of the 26 referred to in paragraph 3.6.
- 3.12 No options to provide access to at least one other major destination in addition to the city centre have yet been identified for Joppa, Magdalene, Mountcastle, or Northfield.
- 3.13 For all new and renewed contracts, operators will be encouraged to submit alternative tenders, to maximise efficiency and innovation. They will also be invited to submit alternative tenders including acceptance of other operators' ticketing products.
- 3.14 Services which are currently supported were assessed. Where a service scored poorly its costs relative to benefits scored were considered, followed by identification of any 'mitigating' factors, such as low total cost or cost per passenger. This indicated that the options for withdrawal, and their approximate cost per year, are as follows (route details are in Appendix 1):
- (Lothian) 42. A low-scoring service with fairly high cost per trip, expensive relative to benefits scored. Evening and weekends service would cease, a commercial service continuing at other times. £60,500/year.
 - (Horsburgh) 64. A low-scoring service, with high cost per trip. £158,500/year.
 - (Waverley) 70. A very low-scoring service with high cost per trip. £15,000/year.
 - (Lothian) 60. The lowest scoring route and costing significantly more per passenger than any other service. £42,000/year.

- It may be possible to redirect spending on cross-boundary services towards better options. Options are being discussed with West Lothian Council, but savings of the order of £50,000 appear possible.

3.15 Alternative provision for each of these routes is:

- Lothian 42. Only evening/weekends services cease; at these times passengers would need to change between two Lothian Buses routes.
- Horsburgh 64. Passengers would change between two Lothian Buses routes; these are much more frequent than the hourly (or less) 64.
- Waverley 70. Access to retail centres via existing commercial routes and possible alternative provided by amended service 18.
- Lothian 60. Discussions continue with Lothian Buses about reshaping a commercial service.
- All areas currently served by these routes will continue to be served by the Dial-a-Bus service for access to shopping centres.

3.16 The total passenger trips affected (based on passengers carried in 2015) are:

Lothian 42	Horsburgh 64	Waverley 70	Lothian 60
37,166	36,087	5,236	7,939

By comparison, the next least used supported service (the 68) carried 45,877 passengers, and the busiest (the 38) carried 301,649.

3.17 If all the above contracts and unsponsored Christmas and New Year contracts are terminated, supported service costs reduce by around £305,000. This resolves the current gap between budget and projected expenditure in 2016-17 and provides a contingency of around £30,000 that can be used to contribute toward anticipated cost increases associated with re-tendered contracts.

3.18 The services proposed for withdrawal provide fewer benefits than the new or renewed services (in some cases significantly fewer). The new services do not necessarily serve the same areas as the withdrawn services; the process identifies routes that deliver the best social, economic and transport benefits across the city, not location by location.

- 3.19 As in previous years, a supported bus service to Queensferry and Dalmeny was provided recently on 25, 26 December and 1, 2 January, carrying 3,803 passengers at a cost to the Council of £8,753.50. The majority of these passengers were carried on the 1 January, many travelling to and from the Loony Dook. There may be an opportunity for the organiser of this event to gain sponsorship for this travel in future. A 'free' night bus was also provided on Hogmanay, linking the city centre to Queensferry and Ratho. This carried 535 passengers and cost the Council £4,380. These passenger numbers are slightly up on previous years. In addition, the Council contributes to Christmas and New Year cross boundary services with West Lothian Council, totalling approximately £15,000 (passenger numbers are not available).
- 3.20 It is considered that Council funding should be prioritised towards supported services which operate all year (hence providing for daily life) rather than a small number of services operating on a few, albeit special, days.
- 3.21 The remaining contracts would be renewed essentially unchanged, although as set out above alternative tenders would be encouraged to maximise efficiency, innovation, and passenger benefits, ie (service details in Appendix 1):

Service and current operator		
Lothian Buses 20	Lothian Buses 38	Waverley Travel 68
Edinburgh Coach Lines 13	Lothian Buses 63	

- 3.22 However, the cost of new or renewed contracts is not predictable. It is expected that tenders may be significantly higher than the cost of the current contracts; this would be consistent with trends over recent years. The service improvements identified in paragraph 3.8-3.10 also need to be resourced.
- 3.23 Ongoing discussions with West Lothian Council could provide a saving of up to £50,000 on cross boundary services. This, along with the £30,000 contingency identified in paragraph 3.17, would be used to offset the anticipated cost increases described above.

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.

Financial impact

- 5.1 The Council budget for supported services 2015/16 and 2016/17 is £1.1m/yr. The review ensures that spending is prioritised on services that deliver the greatest benefits and value for money.
- 5.2 It has been assumed for this report that general inflation remains low. If it is significantly higher in May, when operator payments are recalibrated, it would create new budgetary pressures.
- 5.3 It is anticipated that inflation in bids for expired (and any new) contracts will outstrip generalised inflation. This reflects increasing bus operation costs.

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.

Equalities impact

- 7.1 The outcomes of this report in relation of the ten 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.

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 development of the assessment tool.

Consultation and engagement

9.1 Consultation was undertaken with bus operators. Consultation had previously been undertaken with bus users on the criteria used by the Subsam tool.

Background reading/external references

Assessing Supported Bus Services - Transport and Environment Committee, 25 August 2015

Assessing Supported Bus Services; Further Report - Transport and Environment Committee, 27 October 2015

Paul Lawrence

Executive Director of Place

Contact: Chris Day, Project Officer

E-mail: Chris.Day@edinburgh.gov.uk | Tel: 0131 469 3568

Links

Coalition pledges

Council priorities

CO9 - Edinburgh residents are able to access job opportunities

CO10 - Improved health and reduced inequalities

CO22 - Moving efficiently – Edinburgh has a transport system that improves connectivity and is green, healthy and accessible

Single Outcome Agreement

SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all

Appendices

1. Current supported route details

2. Outcomes of the Subsam assessment of existing services

Appendix 1 Current supported route details

Operator	Service Number	Projected Annual Subsidy (rounded)	Approx pax 2014-15 or equivalent	Approx pax/year two years previously	Contract Route and description	Due to expire
Horsburgh	7	£69,500	28,600 incl W Lothian		Winchburgh – Queensferry. Links to St John's Hospital when no other direct link. Part commercial, part WLC funded	31/3/16
Edinburgh Coach Lines	13	£202,500	132,000	144,000	Craigleith-Blackhall-Ravelston-West End-New Town-Broughton-McDonald Rd-Dalmeny St-Lochend-Findlay Gdns. Wholly subsidised. Sole public transport to Dean Galleries, and in parts of the New Town	Jan 2016
First	18	£87,500	163,000	194,000	Gyle - Fairmilehead – RIE. Off-peak links across south Edinburgh to employment, education, leisure, RIE. Commercial in peak	26/7/16
Lothian Buses	20	£154,500	169,000	128,000	Chesser-Wester Hailes-Hermiston Gait. Shopping, employment, leisure, for communities isolated from main bus network. Provides a service outwith main bus corridors, connecting to them and out-of-centre activities. Subsidy includes Tesco contribution	Jan 2016
Lothian Buses	20 extn	£266,000	129,000		Ratho-Gyle. Extension provides link between Ratho and Gyle and services to/from City Centre	31/5/18
Lothian Buses	38	£94,000	299,000	308,000	Granton-WGH-City Centre – RIE. Frequency enhancement ensures commercial viability	Monthly extensions
Lothian Buses	42	£60,500	32,000	39,000	City Centre-Portobello (evenings and Weekend) Evening/weekend journeys	Jan 2016
Various		£29,000			Xmas/Hogmanay Buses	
Lothian Buses	60	£42,000	8,000	8,000 estimated	Scottish Parliament-Southside-Bristo. Provides a service outwith main bus corridors, connecting to them and out-of-centre activities	4/10/18
Lothian Buses	63	£241,500	195,000		Queensferry-Kirkliston-Newbridge-RBS-Gyle-Edinburgh Pk-Stevenson Coll-Hermiston Gait- Sighthill-Hermiston P&R-Riccarton Campus Hourly links to employment, educational, leisure, shopping	27/7/18
Horsburgh	64	£158,500	37,000	32,000	D Mains-Cramond-Maybury-Gyle-Edinburgh Pk Stn. Hourly frequency most of the day. Access mainly to employment, shopping, leisure	Monthly extensions
Waverley Travel	68	£74,000	46,000	50,000	Turnhouse - Gyle- Corstorphine - Parkgrove – Clermiston. Off-peak service, providing shopping opportunities for mainly elderly users. Sole public transport for Turnhouse	31/3/18
Waverley Travel	70	£15,000	5,000	6,000	Balerno-Currie-Riccarton-Gyle. Shopping opportunities, mainly for elderly residents not on a bus route. One return journey Wednesday and Friday, two returns Saturday	Jan 2016
Horsburgh	40/X40	£7,000	103,500 incl W Lothian		St John's - Ratho – RIE. WLC contract. 4 return journeys per day Ratho-Hospitals	31/3/16
Horsburgh	24	£50,500	24,000 incl W Lothian		Currie - St John's Hospital WLC contract. Six return journeys per day	31/3/16

Appendix 2 Outcomes of the Subsam assessment of existing services

	Access to employment	Access to hospitals	Access to GPs	Access to retail	Access to education	High unemployment in areas served	Early career access	Travel alternatives	Accessibility & usage	Access for older and disabled people	Social deprivation in areas served	Impact on carbon emissions	Function of service subsidy	Total Score	Total score without subsidy function	Subsidy per passenger trip
Criteria Weighting	1	2	2	2	2	3	1	40	25	4	3	5	10	100		
Operator & Route Number																
ECL 13	0.3	1.0	0.6	1.1	0.9	1.3	0.3	0.0	8.8	4.8	0.9	1.7	Stand alone	31.6	21.6	£1.64
LB 42	0.3	1.0	1.4	1.4	1.3	1.4	0.7	1.2	2.1	0.4	1.1	0.6	Frequency	16.0	13.0	£1.63
LB 38	0.3	2.0	0.8	1.0	1.0	1.9	0.1	1.2	6.6	2.6	1.5	1.7	Frequency	23.6	20.6	¶
Horsburgh 7	0.0	0.0	0.8	0.0	0.1	0.1	0.0	2.0	8.8	3.5	0.0	0.2	Frequency	18.5	15.5	£2.43*
LB 20	0.3	0.0	0.5	0.5	0.4	1.6	0.0	9.2	17.4	8.5	1.8	2.3	Frequency	45.5	42.5	£1.16**
LB 63	0.3	0.0	0.6	0.3	0.5	0.6	0.0	4.1	16.4	7.1	0.5	2.0	Stand alone	42.3	32.3	£1.15
Horsburgh 64	0.3	0.0	0.3	0.4	0.2	0.3	0.0	6.1	5.9	3.3	0.3	0.3	Stand alone	27.3	17.3	£4.30
First 18	0.3	1.0	0.8	0.9	1.0	2.8	0.0	1.8	15.6	6.3	3.0	3.4	Frequency	39.9	36.9	£0.54
Waverley 68	0.3	0.0	0.2	0.3	0.2	0.2	0.0	16.0	8.5	5.2	0.0	0.9	Stand alone	41.7	31.7	£ 1.61
Horsburgh 24	0.0	0.0	0.1	0.1	0.2	0.1	0.0	11.4	8.0	4.1	0.2	0.4	Frequency	27.6	24.6	£2.10*
Waverley 70	0.3	0.0	0.1	0.2	0.4	0.1	0.0	7.4	1.4	1.0	0.3	0.1	Stand alone	21.2	11.2	£2.86
LB 60	0.3	0.0	0.3	0.3	0.2	0.5	0.4	0.0	1.0	1.0	0.0	0.0	Stand alone	13.9	3.9	£5.29

*Estimate based on mileage in CEC area ** £0.96 if Tesco contribution is included ¶ Frequency enhancement, so no meaningful cost/trip comparison. However, an indicative cost/trip is £0.90