



Item: 10

Development and Infrastructure Committee: 10 September 2024.

Public Bus Services – Contract Monitoring.

**Report by Corporate Director for Enterprise and Sustainable
Regeneration.**

1. Overview

- 1.1. This report presents monitoring information in respect of public bus services which are contracted by the Council.
- 1.2. The Service X1 which operates regularly from Kirkwall to Stromness and St Margaret's Hope does not receive any subsidy from the Council and is not therefore under contract. The service is operated on a commercial basis by Stagecoach.
- 1.3. All other public bus services across Orkney are operated under contract by the Council and are therefore subsidised as they are not commercially viable and would not otherwise operate.
- 1.4. No formal complaints have been received during 2024 to date, consistent with the previous report presented to Committee in September 2023.

2. Recommendations

- 2.1. It is recommended that members of the Committee:
 - i. Note passenger carryings, together with fare income for subsidised public bus services, excluding the X1 service which is commercial, for the period January to May 2024, as outlined in Appendix 1 to this report.
 - ii. Note that no formal complaints were received during 2023/24 in respect of public bus services in operation across Orkney.

3. Background

- 3.1. In 2019, the School and Public Bus Contract was tendered with a focus on quality with the view to improving the service provided from the main contractor in previous years, with ageing fleet.

- 3.2. The Contract was a significant investment by the Council, resulting in a fleet of new low floor, accessible, Euro 6, low emission vehicles purchased by the main contractor.
- 3.3. Since the commencement of the new Contract, the level of public bus services across the county is now high given the improvements to accessibility, quality of fleet and reliability of service.
- 3.4. The Sustainable and Green Transport Fund was established in February 2022 whereby bus passenger fare income, now retained by the Council, is used to improve existing public transport networks, provide match funding to community transport projects, support the roll out of active travel projects and make improvements to transport infrastructure across the county.
- 3.5. It was agreed that a report would be submitted to the Development and Infrastructure Committee annually for contract monitoring purposes.

4. Passenger Figures and Fare Income

- 4.1. Bus passenger carryings, broken down by ticket type and route, together with fare income from subsidised services (excluding commercially operated X1 service) are outlined at Appendix 1 to this report.
- 4.2. During the period April 2023 to March 2024, a total of 134,567 passengers were carried across subsidised public bus services in Orkney, which are Contracted by the Council.
- 4.3. During the period April 2023 to March 2024, a total of £177,169.96 was received in bus passenger fare income on subsidised services, covering the cost of the incremental increase to the public bus contract, with the remaining sum going to the Sustainable and Green Transport Fund.
- 4.4. As noted in previous monitoring reports, passenger carryings have continued to grow over the past 10 years across almost all routes, ticket type and month. This is most likely due to in-migration growth, tourism, introduction of the Under 22 free bus travel scheme, the cost-of-living crisis and the provision of a reliable service.
- 4.5. Bus passenger carryings peaked at 14,241 during May 2024 for subsidised public bus services in Orkney (figures exclude X1 carryings), compared with May 2023 of 13,145.

- 4.6. There have been no formal complaints received in respect of public bus services in operation across Orkney. The quality and reliability of service carried out since the start of the existing Contract has been to a very high standard. Officers also meet regularly with the main operator to discuss marketing, timetabling and what improvements could be made to services.
- 4.7. The bus contract model used in Orkney has been described as a 'good practice' example by the Regional Transport Partnership HITRANS as the retention of bus passenger fare income to a fund which supports services and associated infrastructure helps to encourage the uptake of public transport further.

For Further Information please contact:

Laura Cromarty, Service Manager (Transportation), extension 3638, Email laura.cromarty@orkney.gov.uk

Implications of Report

1. Financial

- 1.1 The annual public bus budget for 2024/25 towards subsidised services is £1,356,700.
- 1.2 The public bus contract awarded in August 2021 was on a zero fares basis meaning that bus fare income, including concessionary fares is now retained by the Council.
- 1.3 On 1 March 2022, the Policy and Resources Committee recommended that fare income be utilised to establish a Sustainable and Green Transport Fund. The income received through fares during 2023/24 financial year was over £177,000.
- 1.4 The School and Public Bus Contract is subject to an amendment to contract rate which is applied in August each year. The Contract applied a maximum uplift of 3% to be applied per annum which was applied during 2022/23 and 2023/24.

2. Legal

- 2.1 The Financial monitoring and reporting help the Council meet its statutory obligation to secure best value.
- 2.2 The School and Public Bus Contract states that the operator shall provide the Council with the number of passengers carried on each Local Bus Service, a breakdown of the number of tickets sold in terms of adults, children and concessionaries and total fare income.

2.3 The School and Public Bus Contract sets out that the Contractor shall set up a customer complaints procedure. Written records of all complaints received, and actions taken are to be retained and a copy of such information is to be provided to the Council on a monthly basis in arrears. Receipt of such information helps the Council to monitor the performance of the contract and thereby meet its statutory obligation to ensure best value.

3. Corporate Governance

Not applicable.

4. Human Resources

Not relevant to the recommendations outlined in this report.

5. Equalities

An Equality Impact Assessment is not required for performance monitoring.

6. Island Communities Impact

An Island Communities Impact Assessment is not required for performance monitoring.

7. Environmental and Climate Risk

Encouraging the use of public transport to reduce journeys by car. All mainland public bus services are now operated using Euro 6 low emission fleet.

8. Risk

Not relevant to the recommendations outlined in this report.

9. Procurement

Tender process carried out in accordance with procurement regulations.

10. Health and Safety

Not relevant to the recommendations outlined in this report.

11. Property and Assets

Not relevant to the recommendations outlined in this report.

12. Information Technology

Not relevant to the recommendations outlined in this report.

13. Cost of Living

Passenger carryings have increased on public bus services in Orkney, which linked to the cost of living crisis. Good transport links are required so that everyone has access to key services in the community such as for work, education and leisure.

Background Papers

None

Appendix

Appendix 1 Bus Passenger Figures and Fare Income

Appendix 1

Subsidised Public Bus Passenger Carryings and Fare Income

The bus passenger figures for the period January to May 2024 are outlined below by route and by month.

Please note that as the X1 Kirkwall>Stromness/St Margaret's Hope route is operated on a commercial basis, the passenger carryings and fare income do not form part of this report.

2024	Service 2	Service 3	Service 4	Service 6	Service 7	Service 8S	Service 9	Service X10	Isles Services	Evening Buses	TOTAL
	Houton	Deerness	Airport	Tingwall	Birsay	Skara Brae	Town Service	Ferry Link	Westray/Sanday/Hoy	Fri/Sat only	MONTHLY
January	576	291	1,657	808	398	111	2,484	178	320	65	6,888
February	814	460	1,969	1,079	477	173	2,931	228	417	107	8,655
March	1,146	589	2,396	1,353	576	224	3,790	410	569	177	11,230
April	1,224	664	2,525	1,282	498	282	3,418	535	635	168	11,231
May	1,532	717	2,960	1,686	607	584	3,993	824	1,122	216	14,241
TOTAL	5,292	2,721	11,507	6,208	2,556	1,374	16,616	2,175	3,063	733	52,245

Fare income for the period January to May 2024

The fare income covers the cost of the incremental increase applied to the Contract rate, with the remaining sums allocated to the Sustainable and Green Transport Fund. A separate report is presented to Committee each year, outlining the projects funded and proposed for the year ahead.

	Fares	Concessions	YP15	YP21	Fare return
January	£ 4,116.70	£ 2,311.24	£ 404.74	£ 990.40	£ 7,823.08
February	£ 5,462.50	£ 3,006.92	£ 698.04	£ 1,460.87	£ 10,628.32
March	£ 6,294.70	£ 3,752.06	£ 808.69	£ 1,801.10	£ 12,656.55
April	£ 7,882.55	£ 3,901.32	£ 661.15	£ 2,018.31	£ 14,463.32
May	£ 10,858.45	£ 4,587.88	£ 1,035.67	£ 2,635.18	£ 19,117.19
TOTAL	£ 34,614.90	£ 17,559.42	£ 3,608.29	£ 8,905.85	£ 64,688.47

Reimbursement Rates for Concessions

The reimbursement rate paid back to the Council (via the Operator) from Transport Scotland are outlined in the table below:

Concessions (Elderly/Disabled)	55.9%
Young People (5-15)	43.6%
Young People (16-21)	81.2%

2023	Service 2	Service 3	Service 4	Service 6	Service 7	Service 8S	Service 9	Service X10	Isles Services	Evening	TOTAL
	Houton	Deerness	Airport	Tingwall	Birsay	Skara Brae	Town Service	Ferry Link	Westray/Sanday/Hoy	Fri/Sat	MONTHLY
January	778	364	1,545	941	647	112	2,506	255	327	66	7,541
February	834	461	1,627	1,004	650	146	2,805	283	360	84	8,254
March	1,163	523	2,086	1,288	703	208	3,269	360	472	101	10,173
April	1,114	667	2,189	1,425	715	357	3,181	376	484	86	10,594
May	1,418	665	2,671	1,584	871	646	3,679	664	852	95	13,145
June	1,508	719	2,770	1,870	775	693	3,774	647	1,042	210	14,008
July	1,413	977	3,021	1,807	794	768	3,323	704	1,108	154	14,069
August	1,327	891	2,976	1,793	816	764	3,727	798	906	166	14,164
September	1,287	719	2,762	1,564	747	571	3,950	701	846	156	13,303
October	973	516	2,370	1,219	578	214	3,221	387	391	73	9,942
November	948	509	2,324	1,182	557	168	3,616	324	376	109	10,113
December	849	418	1,832	1,102	470	119	2,929	259	303	175	8,456
TOTAL	13,612	7,429	28,173	16,779	8,323	4,766	39,980	5,758	7,467	1,475	133,762

Fare Income 2023

The bus passenger fare income, broken down by ticket type per month is outlined below.

Concessions (Elderly/Disabled)	55.9%
Young People (5-15)	43.6%
Young People (16-21)	81.2%

The reimbursement rates paid back to the Council for elderly, disabled and Under 22 fares are also outlined.

	Fares	Concessions	YP15	YP21	Total Fares
January	£5,031.86	£ 2,371.92	£ 394.19	£ 1,193.03	£8,991.00
February	£5,295.95	£ 2,359.12	£ 531.96	£ 1,525.18	£9,712.21
March	£6,686.70	£ 2,933.43	£ 633.64	£ 1,761.23	£12,014.99
April	£8,707.55	£ 3,540.37	£ 754.02	£ 1,820.46	£14,822.40
May	£12,042.70	£ 3,845.53	£ 749.66	£ 1,745.56	£18,383.44
June	£12,511.75	£ 4,318.16	£ 861.19	£ 2,153.34	£19,844.44
July	£13,342.05	£ 4,251.75	£ 836.42	£ 2,230.73	£20,660.95
August	£13,017.75	£ 4,251.08	£ 842.26	£ 2,477.01	£20,588.10
September	£10,186.10	£ 3,820.49	£ 1,017.67	£ 2,161.79	£17,186.04
October	£6,320.15	£ 3,422.65	£ 738.58	£ 1,759.52	£12,240.90
November	£6,016.25	£ 3,584.14	£ 751.75	£ 1,603.29	£11,955.44
December	£5,484.85	£ 2,896.35	£ 645.89	£ 1,353.20	£10,380.29
TOTAL	£104,643.66	£41,594.98	£8,757.23	£21,784.34	£176,780.21

2022	Service 2	Service 3	Service 4	Service 6	Service 7	Service 8S	Service 9	Service X10	Various	TOTAL
	Houton	Deerness	Airport	Tingwall	Birsay	Skara Brae	Town Service	Ferry Link	Isles Bus Services	MONTHLY
January	590	265	1014	586	308	84	1518	121	196	4682
February	649	270	1139	686	365	73	1558	106	264	5110
March	800	360	1622	838	453	103	1981	189	349	6695
April	867	446	1648	915	475	242	2110	299	389	7391
May	1137	380	2073	1174	459	396	2090	489	705	8903
June	1156	496	2171	1361	657	547	2346	625	893	10252
July	1243	694	2502	1466	808	784	2710	710	852	11769
August	1325	684	2656	1705	755	763	3160	673	994	12715
September	1113	617	2250	1389	629	452	3009	550	895	10904
October	917	567	1914	1301	632	230	2743	320	416	9040
November	897	479	1835	1213	671	122	3176	179	421	8993
December	787	377	1545	1048	555	71	2499	269	384	7535
TOTAL	11,481	5,635	22,369	13,682	6,767	3,867	28,900	4,530	6,758	103989

2021

	Service 2	Service 3	Service 4	Service 6	Service 7	Service 8S	Service 9	Service X10	Isles Bus Services	TOTAL
	Houton	Deerness	Airport	Tingwall	Birsay	Skara Brae	Town Service	Ferry Link	Sanday/ Westray/ Hoy	MONTHLY
January	406	185	588	386	264	42	1112	15	54	3052
February	467	196	545	420	242	40	1037	6	66	3019
March	613	249	730	543	320	56	1370	25	204	4110
April	644	317	762	531	319	65	1381	27	240	4286
May	761	325	976	660	385	121	1536	105	394	5263
June	799	478	1219	738	487	197	1773	210	617	6518
July	756	519	1360	761	456	254	1754	220	672	6752
August	815	490	1697	792	536	242	1767	290	563	7192
September	782	414	1748	900	522	247	1874	288	555	7330
October	639	385	1410	736	433	140	1726	167	303	5939
November	690	334	1192	617	464	97	1696	105	180	5375
December	662	261	1239	679	398	71	1682	166	168	5326
TOTAL	8,034	4,153	13,466	7,763	4,826	1,572	18,708	1,624	4,016	64,162

**Low passenger carryings due to Covid Pandemic*

2020	Service 2	Service 3	Service 4	Service 6	Service 7	Service 8S	Service 9	Service X10	Various	TOTAL
	Houton	Deerness	Airport	Tingwall	Birsay	Skara Brae	Town Service	Ferry Link	Isles Bus Services	MONTHLY
January	857	360	1903	885	432	86	2679	104	331	7637
February	848	351	1820	909	376	60	2560	105	322	7351
March	727	298	1464	612	254	65	1805	79	252	5556
April	71	120	2	37	41	22	199	2	0	494
May	58	111	8	109	67	24	289	8	0	674
June	98	81	8	154	109	52	312		4	818
July	330	112	149	304	165	75	502	82	115	1834
August	509	283	731	481	332	106	1235	132	227	4036
September	544	274	863	536	354	122	1359	100	182	4334
October	568	313	898	539	292	46	1354	87	199	4296
November	991	302	939	455	354	61	1443	47	265	4857
December	539	238	723	456	287	36	1547	30	108	3964
TOTAL	6,140	2,843	9,508	5,477	3,063	755	15,284	776	2,005	45,851

**Low passenger carryings due to Covid Pandemic*

2019	Service 2	Service 3	Service 4	Service 6	Service 7	Service 8S	Service 9	Service X10	Various	TOTAL
	Houton	Deerness	Airport	Tingwall	Birsay	Skara Brae	Town Service	Ferry Link	Isles Bus Services	MONTHLY
January	670	317	1881	1117	405	59	2327	100	481	7357
February	725	323	1856	1115	328	84	2465	116	508	7520
March	785	407	2241	1224	407	99	2695	158	501	8517
April	1162	590	2855	1419	585	372	2841	501	609	10934
May	1122	484	2759	1247	443	375	2884	434	1003	10751
June	1162	590	2855	1419	585	372	2841	501	1296	11621
July	1408	673	3053	1658	565	367	3301	493	1662	13180
August	1357	522	2996	1598	571	403	3279	380	1468	12574
September	1076	559	2712	1353	485	207	3111	345	555	10403
October	1173	409	2555	1049	472	122	3244	279	880	10183
November	1093	382	2087	1011	498	90	3060	156	533	8910
December	898	307	1938	887	435	72	2562	114	398	7611
TOTAL	12,631	5,563	29,788	15,097	5,779	2,622	34,610	3,577	9,894	119,561

2018	Service 2	Service 3	Service 4	Service 6	Service 7	Service 8S	Service 9	Service X10	Various	TOTAL
	Houton	Deerness	Airport	Tingwall	Birsay	Skara Brae	Town Service	Ferry Link	Isles Bus Services	MONTHLY
January	930	239	1830	939	424	104	2114	121	399	7100
February	998	281	1863	1140	507	82	2440	137	572	8020
March	1048	273	2016	1284	429	150	2620	147	524	8491
April	902	491	1971	1240	406	314	2070	249	588	8231
May	1223	469	2641	1668	565	582	2526	330	1228	11232
June	1190	541	2852	1892	597	864	2946	324	1418	12624
July	1282	599	3095	1808	564	833	2829	380	1480	12870
August	1171	548	2972	1815	632	851	2885	446	1450	12770
September	931	416	2511	1582	461	501	2811	392	790	10395
October	903	342	2358	1247	431	241	2745	141	518	8926
November	838	357	2074	1267	390	108	2702	84	645	8465
December	730	342	1790	1098	342	65	2460	95	515	7437
TOTAL	12,146	4,898	27,973	16,980	5,748	4,695	31,148	2,846	10,127	116,561

2017	Service 2	Service 3	Service 4	Service 6	Service 7	Service 8S	Service 9	Service X10	Various	TOTAL
	Houton	Deerness	Airport	Tingwall	Birsay	Skara Brae	Town Service	Ferry Link	Isles Bus Services	MONTHLY
January	688	267	2057	1022	428	82	2496	121	468	7629
February	608	266	2072	961	442	80	2620	185	484	7718
March	873	331	2120	1160	412	104	2994	189	605	8788
April	949	384	2346	1126	387	256	2603	308	531	8890
May	1182	380	2782	1456	540	342	2860	492	1107	11141
June	1305	442	2999	1703	624	403	2911	374	1375	12136
July	1288	620	3041	1777	710	370	2977	330	1558	12671
August	1389	576	3054	1856	717	290	3192	444	1350	12868
September	1042	384	2466	1442	517	310	3184	356	939	10640
October	1000	336	2126	1071	480	133	2848	222	532	8748
November	958	240	1943	1180	469	78	2617	150	610	8245
December	808	220	1619	852	401	75	2047	130	481	6633
TOTAL	12,090	4,446	28,625	15,606	6,127	2,523	33,349	3,301	10,040	116,107

2016	Service 2	Service 3	Service 4	Service 6	Service 7	Service 8S	Service 9	Service X10	Various	TOTAL
	Houton	Deerness	Airport	Tingwall	Birsay	Skara Brae	Town Service	Ferry Link	Isles Bus Services	MONTHLY
January	646	304	1762	932	255	60	1928	68	413	6368
February	826	390	1994	1107	412	76	2362	141	503	7811
March	840	443	2326	1267	424	98	2705	219	598	8920
April	880	480	2335	1139	357	177	2774	326	627	9095
May	1062	468	2408	1514	408	315	2352	370	1027	9924
June	1201	457	2707	1854	439	185	2456	380	1485	11164
July	1254	662	3096	1833	431	247	2823	431	1443	12220
August	1221	584	3004	1787	539	218	3088	484	1454	12379
September	945	506	2528	1507	477	332	2933	394	1057	10679
October	893	513	2475	1259	437	161	2910	319	526	9493
November	763	394	2163	1305	464	88	2663	133	549	8522
December	725	322	1955	1071	369	103	2548	104	554	7751
TOTAL	11,256	5,523	28,753	16,575	5,012	2,060	31,542	3,369	10,236	114,326