

Item: 14

Development and Infrastructure Committee: 5 September 2023.

Public Bus Services – Contract Monitoring.

Report by Corporate Director for Enterprise and Sustainable Regeneration.

1. Purpose of Report

To present monitoring information in respect of public bus services for 2022/23.

2. Recommendations

The Committee is invited to note:

2.1.

Passenger carryings for the period January to July 2023, together with fare income for subsidised public bus services, excluding the X1 service which is commercial, for financial year 2022/23, as outlined in Appendix 1 to this report.

2.2.

That no formal complaints were received during 2022/23 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. The Contract was therefore a significant investment by the Council, resulting in a fleet of new low floored, accessible, Euro 6 low emission vehicles from the main contractor and growth in passenger carryings following the pandemic.

3.2.

Bids were invited on the basis that the Council provide a small fleet of diesel buses or electric buses to operate public bus services across the mainland of Orkney. At the time of tender, no bids were received to operate services using electric buses, noting that a spare fleet would be required for range and reliability reasons. The winning bid from Stagecoach to operate all mainland based public bus routes and the majority of school services, was on the basis of the operator purchasing the fleet. As the Contract was tendered during the pandemic, the tender bid received was based on the cost to operate the service, with any bus passenger fare income,

including concessionary fares claimed back by Scottish Government, to be retained by the Council.

3.3.

In February 2022, the Development and Infrastructure Committee recommended establishment of a Sustainable and Green Transport Fund from the bus passenger fare income received. This income has been used to match fund external funding from the Scottish Government Smarter Choices, Smarter Places initiative which has seen the introduction of evening bus services across the county and has also been used to enhance the existing community transport budget, seeing the roll out of community transport projects in Sanday, Stronsay, North Ronaldsay, Papa Westray, Shapinsay, Rousay and Hoy as well as the continuation and expansion of the Dial a Bus Service.

3.4.

Public bus services across Orkney have therefore significantly improved since the start of the new bus contract and due to income received through bus passenger fares, improvements have also been made to community transport services 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.

The passenger carryings for the period January to July 2023, together with fare income for subsidised public bus services (excluding X1 service which is commercial) for financial year 2022/23, are outlined in Appendix 1 to this report.

4.2.

Unlike the rest of Scotland and the wider UK, Orkney has seen steady passenger growth across its public bus services year on year. Passenger carryings decreased during the pandemic as the use of public transport was discouraged. However, figures have picked up significantly during 2023, with carryings exceeding pre-pandemic levels.

4.3.

In order to encourage further uptake of public bus services, investment has been made in the service by creating evening bus links and enhancements where possible such as the refurbishment of existing bus shelters and timetable displays. The bus enhancements will be subject to continuation of the Sustainable and Green Transport Fund, established through bus passenger fare income.

4.4.

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 meet regularly with operators to ensure services are operated in accordance with the Contract and to discuss possible improvements to services where possible.

5. Corporate Governance

This report relates to the Council complying with governance and procedural issues and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

6. Financial Implications

6.1.

The annual public bus budget for 2023/24 towards subsidised services is £1,247,300.

6.2.

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.

6.3.

On 1 March 2022, the Policy and Resources Committee recommended that fare income be utilised to establish a Sustainable and Green Transport Fund. A decision was made during the budget setting process for financial year 2023/24 to disestablish this fund, and for any fare income generated to be used as saving on the public bus contract costs.

6.4.

On 28 March 2023, the Development and Infrastructure Committee recommended continuation of the Sustainable and Green Transport Fund, established from bus passenger fare income now retained by the Council, in accordance with the terms of the new public bus contract.

6.5.

At the end of financial year 2022/23 the Sustainable and Green Transport Fund balance was £55,852 and it is anticipated that fare income in the region of £150,000 per annum going forward will be transferred into the Sustainable and Green Transport Fund. This fund will be used specifically for sustainable transport initiatives, including active travel, as a means to off-set existing transport CO2 emissions and to invest in sustainable and green transport solutions for the future.

6.6.

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.

7. Legal Aspects

7.1.

Financial monitoring and reporting help the Council meet its statutory obligation to secure best value.

7.2.

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.

7.3.

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.

8. Contact Officers

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9. Appendix

Appendix 1: Public Bus Passenger Carryings and Fare Income.

Appendix 1

Public Bus Passenger Carryings and Fare Income

The bus passenger figures for the period January to July 2023 are outlined below by route and by month. The passenger carryings by month are up significantly from the previous year, with January reaching 7,475 compared with 4,682 from the previous year on all subsidised services (excludes X1 commercial bus service). In June, passenger figures reached 13,798 on subsidised services, compared with 10,252 the previous year.

2023	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	778	364	1545	941	647	112	2506	255	327	7475
February	834	461	1627	1004	650	146	2805	283	360	8170
March	1163	523	2086	1288	703	208	3269	360	472	10072
April	1114	667	2189	1425	715	357	3181	376	484	10508
May	1418	665	2671	1584	871	646	3679	664	852	13050
June	1508	719	2770	1870	775	693	3774	647	1042	13798
July	1413	977	3021	1807	794	768	3323	704	749	13556
TOTAL (Jan – July)	8,228	4,376	15,909	9,919	5,155	2,930	22,537	3,289	4,286	76629

Bus Passenger Fare Income

The bus passenger fare income by ticket type for the period 2022 – 2023 is outlined below. The income received through fares is now retained via the Sustainable and Green Transport Fund which is used specifically for sustainable transport initiatives, including active travel, as a means to off-set existing transport CO2 emissions and to invest in sustainable and green transport solutions for the future.

Month	Fares	Concessions	YP	Total
April 22	£6,361.45	£2,265.15	£957.38	£9,583.98
May 22	£8,725.90	£2,759.53	£1,200.68	£12,686.11
June 22	£9,829.50	£3,016.97	£1,391.04	£14,237.51
July 22	£11,730.40	£3,347.29	£2,096.46	£17,174.15
Aug 22	£12,005.60	£3,334.30	£2,382.53	£17,722.43
Sept 22	£9,209.55	£2,774.04	£1,681.20	£13,664.79
Oct 22	£6,768.65	£2,897.63	£1,944.46	£11,610.74
Nov 22	£5,841.85	£2,915.88	£2,021.78	£10,779.51
Dec 22	£5,489.50	£2,525.20	£1,665.56	£9,680.26
Jan 23	£5,031.86	£2,371.92	£1,587.22	£8,991.00
Feb 23	£5,295.95	£2,359.12	£2,057.14	£9,712.21
Mar 23	£6,686.70	£2,933.43	£2,394.87	£12,015.00
Total during 2022/23 financial year				£147,857.69

(Bus passenger carryings are shown annually whilst the bus passenger fare income is outlined by financial year for budget purposes).

Concessionary fare reimbursement rate:

Elderly and disabled concession: 55.9% of adult fare, Young Person 15 years and under: 43.6% of junior fare, Young Person 16-21 years: 81.2% of junior fare as set by Scottish Government.

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	Service	Service 4	Service 6	Service 7	Service 8S	Service	Service	Various	TOTAL
	2	3					9	X10		
	Houton	Deerness	Airport	Tingwall	Birsay	Skara Brae	Town Service	Ferry Link	Isles Bus Services	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	64162

Low passenger carryings due to 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	45851

Low passenger carryings due to 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	119561

Pre- COVID-19 pandemic