

REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE SERVICES COMMITTEE ON 17 JUNE 2008

SUBJECT: PUBLIC TRANSPORT PROVISION

BY: DIRECTOR OF ENVIRONMENTAL SERVICES

1. REASON FOR REPORT

- 1.1 This report is submitted to the Committee to provide updated information on public transport services supported by the Council.
- 1.2 This report is submitted to Committee in terms of the Council's Administrative Scheme relating to public passenger transport.

2. RECOMMENDATION

- 2.1 **Committee is asked to approve the reduction in subsidised services outlined in para 3.4 of the report.**
- 2.2 **Committee is asked to note the proposals for budget virement to contain budget provision.**
- 2.3 **Committee is asked to note the proposals for the introduction of a demand responsive bus service in the Speyside area subject to local consultation.**

3. BACKGROUND

- 3.1 This report is submitted in accordance with the requirements of the Policy Committee decision of 19 December 2007 (para 17 of the minute refers).
- 3.2 A report on the activities of the Public Transport Unit was submitted to the Environmental Services Committee on 5 December 2007 (para 24 of the Minute refers).
- 3.3 Recent reports to Policy Committee on 19 December 2007 (para 17 of the minute refers) have identified an overspend of £170k against Transportation Revenue Support, however when all other public transport budgets are aggregated together, then the overspend is reduced. The following table identifies that for 2008/09 the difference between base budget and projected expenditure reduces to approximately £71k before any cuts in service are proposed.

BUDGET ALLOCATION 08/09:

Support for contracted services	583,799
Bus Route Development Grant	90,000
BABS Dial a Bus	70,000
Speyside Car Scheme	13,000
Income from concessions	5,000

Cross boundary service income	20,000
Shelter Cleaning	Nil
Infrastructure	Nil
Minibus Contract	54,001
School Crossing Patrollers	207,878
Transport Planning Unit	248,191
TOTAL BUDGET 08/09	1,291,869

PROJECTED EXPENDITURE 08/09

Revenue Support Contracts	715,027
Bus Route Development Grant	90,000
BABS Dial a Bus	70,000
Speyside Car Scheme	13,000
Bus Station Departure Charges	30,000
Shelter Cleaning	25,000
New Infrastructure	Nil
Infrastructure Repairs	Nil
Publicity	Nil
Minibus Contract	18,889
School Crossing Patrollers	186,118
Transport Planning Unit	215,036

TOTAL PROJECTED EXPENDITURE **1,363,070**

Projected over-expenditure of £71,201

- 3.4 Recently, Stagecoach Bluebird has intimated a number of changes to their commercial network. The opportunity was therefore taken to discuss potential efficiency savings by reducing the level of subsidy for certain parts of their operation.

The company has agreed, subject to maintaining current levels of subsidy for all other contracts, to withdraw contracts MDM10 (Orton diversion) and MDM9 (Elgin to Keith Railway Station) and reduce the frequency of the evening Elgin town services from half hourly to hourly, generating an overall saving of £40,000 per annum (full year cost). In view of the extremely low patronage on both of the aforementioned contracts officers would support this option. If approval is given for the reduction in services these would be withdrawn 10 weeks after notification to the office of the Traffic Commissioner.

- 3.5 In view of the success of the Forres area dial-a-bus it is proposed to investigate the opportunity for such a service in the Speyside area that would incorporate a number of existing contracts in that area. Through the amalgamation of a number of traditional subsidised bus services into a composite demand response type (DRT) service efficiency and financial savings could be achieved. A detailed analysis of the contracts in the Speyside area will be conducted to assess the potential for efficiency savings. It is not possible to

determine the cost of a DRT service in Speyside without knowing exactly how this would be provided, but potential savings could accrue from replacing services 362 (Tomintoul - Dufftown both services), and also 337 (Aberlour - Knockando rural service). Depending on the success of the scheme, it is estimated that up to £25,000 might be saved. It is proposed to commence public consultation to identify local needs for such a service. Details of a proposed scheme would be publicised through a series of community "roadshows" similar to those undertaken in the Forres rural area. Members of the public would have the opportunity to discuss and comment on the proposals. It is envisaged that this consultation process would commence during the autumn of 2008.

- 3.6 If the savings estimated in paras 3.4 and 3.5 can be achieved and the proposed changes are acceptable, the projected overspend of £71,201 would have been reduced to £6,000 (full year saving). At this stage in the financial year and due to current contractual commitments and the timescale for de-registering services it is anticipated that savings of £31,000 will be achieved for 2008/09, resulting in a projected overspend of £40,000 for 2008/09.
- 3.7 To align budgets to this spending profile, virement across transportation budget heads would be required, in consultation with Accountancy staff.
- 3.8 The projected expenditure will increase for Transportation Revenue Support during the year due to r.p.i. linked inflationary pressure built into the contracts, but this is matched by a corresponding increase in base budget allocation when costs are identified.
- 3.9 The Council has a duty, under Sections 63-64 of the Transport Act 1985, to secure the provision of such passenger transport services as it considers appropriate to meet any public transport requirements in its area which would not, in its view, be met apart from action on its part. The Council also has a duty to formulate and publish, from time to time, general policies as to the description of services it proposes to secure. These details and minimum service levels are outlined in the Council's Public Transport Policy Statement, which are approved by the Council in 1997.

4 SUMMARY OF IMPLICATIONS

(a) Corporate Development Plan/Community Plan/Service Improvement Plan

The report contributes to the Local Transport Strategy. The report contributes to the Local Transport Strategy by promoting public transport as an alternative to the car and tackling rural accessibility.

(b) Policy and Legal

The Moray Local transport Strategy (2001) states a key objective to improve accessibility by realising the potential for public transport,

(c) Resources (Financial, Risks, Staffing and Property)

Budget virement as outlined in section 3.7 will be required to align budget heads. It is anticipated that the budget for 2008/09 will incur a £40,000 overspend which will be referred to the Policy & Resources Committee for further consideration if appropriate.

(d) Consultations

Lorraine Paisey and Deborah Brands, Principal Accountants, have been consulted and are in agreement with the report.

5 CONCLUSION

5.1 Members are asked to:

Note that financial monitoring of PTU budgets has identified an overspend in certain areas and a requirement to vire budgets within the overall expenditure for public transport. Measures have been put in place, in consultation with Finance, to ensure that monitoring is more robust. If the service alterations are approved than expenditure will be contained in a full year, but will be over budget by £40,000 in 2008/09 due to the period of notice required to introduce changes to services.

Author of Report: Public Transport Manager

Background Papers:

Ref: PF/PA