

**REPORT TO: AUDIT AND PERFORMANCE REVIEW COMMITTEE
ON 3 MARCH 2010**

SUBJECT: PUBLIC TRANSPORT – BUDGET UPDATE

BY: DIRECTOR OF ENVIRONMENTAL SERVICES

1. REASON FOR REPORT

- 1.1 This report is submitted to the Committee to provide updated information on the Public Transport Unit budget position for financial years 2009/10 and 2010/11.
- 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 note the contents of this report.**

3. BACKGROUND

- 3.1 The Public Transport Unit has responsibility for a number of budgets including revenue support for subsidising essential non-commercial bus services and infrastructure. As previously reported to Committee this budget was considerably overspent for financial year 2007/08. At that time previous overspends for financial years 2005/06 and 2006/07 were identified but these overspends were offset by significant underspends in other PTU managed budgets. Since 2006 pressure on these other budgets has reduced the opportunity for virement between budgets.

3.1.1 Transport Planning Unit

Prior to local government re-organisation in 1995 all public transport services throughout the Grampian Region were delivered by an Aberdeen based Public Transport Unit. This continued after re-organisation with Aberdeenshire Council being the lead Council for the delivery of public transport services in Aberdeenshire, Aberdeen City and Moray. This arrangement continued until 2002 when it was agreed that The Moray Council establish its own Public Transport Unit under Direct Services, as part of the remit of the Transportation Manager.

This budget has an allocation of £250,000 for financial year 2009/10. It is forecast to be on budget at the end of the financial year.

3.1.2 Minibus Budget

The Public Transport Unit manages the day to day operational side of the Council's minibus fleet, with maintenance the responsibility of Fleet Services at Ashgrove Depot. Traditionally minibuses were normally van conversions, but through HITRANS funding the Council has been able to acquire purpose built passenger carrying vehicles affording similar standards to that provided by commercial operators. The Council's minibus fleet is used for home to school transport, day care client transport, local bus services and school hires. They are also available to certain community groups for private hires outwith normal scheduled requirements. Currently 23 permanent or full time drivers are employed for a fleet of 31 vehicles.

This budget has an allocation of £394,000 for financial year 2009/10. It was originally forecast to have an underspend of around £70,000 but due to increased depot costs and increased maintenance costs the projected underspend is likely to be considerably less.

3.1.3 School Crossing Patrollers

The Public Transport Unit manages 35 school crossing patrollers at various sites throughout Moray. Some of these posts cover the morning and afternoon sessions only, whilst others also cover lunchtime requirements. Maintaining a bank of relief patrollers is a major difficulty due to the type of work involved. Although the provision of school crossing patrollers is a non-statutory function, Local Authorities provide this facility as part of their statutory duty of road safety. Home to school travel however is the responsibility of the parent and how they exercise this is their own discretion.

This budget has an allocation of £227,000 for financial year 2009/10. The budget is forecast to have an underspend of around £7,000 at the end of the financial year.

3.1.4 Revenue Support Budget

As previously reported there has been an overspend in the revenue support budget for the last three years due to increased pressure to provide and maintain new services and associated infrastructure. To mitigate this situation two subsidised bus services were withdrawn at the end of 2008 and more recently the repair of bus shelters has had to be stopped, the cleaning of bus shelters has had to be stopped, and the production of timetable booklets has had to be stopped. Dial-a-bus services were introduced in the rural Forres and Speyside areas using vehicles from the in-house fleet. These services operate at lower costs than conventional bus services.

This budget has an allocation of £712,000 for financial year 2009/10. The budget is forecast to have an overspend of £97,000 at the end of the financial year. This is recognised in budget monitoring reports. The

recently produced budget papers for forthcoming financial years recognises this situation and a further £100,000 has been added to the budget thereby aligning the contract commitment to the available budget.

3.1.5 Future Service Provision

As part of the budget approved for 2010/11, services will be reduced by £160,000 per annum. Officers are currently investigating how these savings will be delivered and a report will be prepared for the relevant committee outlining proposals for service cuts.

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)

There are no staffing or property implications. The financial implications are outlined within the report.

(d) Consultations

None.

5. CONCLUSION

Members are asked to:

5.1 Note the contents of this report.

Author of Report: Peter Findlay, Public Transport Manager

Background Papers:

Ref: PF