

REPORT TO EDUCATION AND CHILDREN'S SERVICES COMMITTEE – 30 MAY 2019

ABERDEENSHIRE PASSENGER TRANSPORT NETWORK REVIEW MEMBER OFFICER WORKING GROUP – EXPANSION OF MEMBERSHIP

1 Recommendations

The Committee is recommended to:

- 1.1 Acknowledge the work undertaken by the Passenger Transport Network Review Member Officer Working Group (MOWG) to date; and
- 1.2 Nominate a representative from this Committee to participate in the MOWG to May, 2020.

2 Background/Discussion

- 2.1 At its meeting on 15 March, 2018 (Item 9), the Infrastructure Services Committee approved the establishment of a MOWG to oversee a proposed review of the passenger transport network.
- 2.2 The MOWG has met on five occasions on: 14 May, 2018; 2 July, 2018; 26 September, 2018; 1 November, 2018; and 24 January, 2019. The minutes of the first four meetings of the Group and the draft minute of the fifth meeting form **Appendix 1** to the report.
- 2.3 At its initial meeting on 14 May, 2018, the MOWG agreed a remit for the Group, setting out a number of specific objectives and, in turn, specific tasks, which have been, to a greater or lesser extent, progressed. In the course of the Group's deliberations, a number of specific actions have also been identified. The agreed remit for the Group forms **Appendix 2** to the report.
- 2.4 The MOWG's original objectives were to:
 - 1) Review the preferred network typology of public transport services, as set out in the Council's Passenger Transport Strategy;
 - 2) Determine the most appropriate network of supported public transport services to meet otherwise unmet travel needs;
 - 3) Ensure other passenger transport service delivery, including school and social care transport, is taken into account when identifying the most efficient and effective network, aiming to maximise available vehicle resources;
 - 4) Identify the most cost-effective means of service delivery, including consideration of the opportunities and implications of expanding the use of in-house vehicles; and
 - 5) Consider the necessary budget provision required to implement the recommended revised network of services.

- 2.5 At the MOWG meeting on 14 May, 2018, the Group considered a report setting out the context within which passenger transport services are delivered in Aberdeenshire. At that time, the Group noted the Council's current Passenger Transport Strategy (PTS), available at:

<http://www.aberdeenshire.gov.uk/media/7991/passengertransportstrategy.pdf>

(pages 18-20 refers) sets out a high level hierarchy of local bus service provision covering: mainline services; rural feeder services; cross-country services; local rural services; and town services. The MOWG agreed that the network hierarchy/typology, outlined on page 19, should not be changed.

- 2.6 This network typology provides a guide to the preferred means of fixed route local bus and dial-a-bus service delivery but does not prioritise which type of services are the most important (e.g. cross-country services versus town services) nor set out priorities for spend on individual supported journeys/services.
- 2.7 The MOWG concluded that officers should identify service amendments which would contain spend in line with the reduced 2019/20 revenue allocation for supported bus services and that service/journey withdrawals should be identified by means of the Council's Performance Management Framework (PMF) model for supported bus services. In doing so, the Group acknowledged the limitations of the PMF model and requested that officers take consideration of these aspects when undertaking the review.
- 2.8 In agreeing that service/journey withdrawals be identified primarily by means of the PMF model, for implementation on 15 April, 2019, the MOWG also agreed that a further comprehensive review of the network be made, with the aim of addressing patronage decline across the bus network and implementation of a more sustainable network in the medium to long term.
- 2.9 Set against this objective, the MOWG also concluded that the Group should be expanded to include member representation from the Education and Children's Services Committee and Integration Joint Board, given the wider impact supported bus services have on both travel to school and on social inclusion and health care.
- 2.10 The Committee is therefore asked to nominate a member to participate in the expanded Passenger Transport Network Review Member Officer Working Group through to May, 2020.
- 2.11 The membership of the MOWG will therefore consist of members from the Infrastructure Services Committee, the Education and Children's Services Committee and the Integration Joint Board.
- 2.12 The MOWG has also progressed a number of other issues, in particular relating to engine emission standards; the ongoing Total Transport Review (TTR), which is focussing on the efficiency of the mainstream primary and secondary school transport network; and the potential for Bus Franchising, should this policy tool become available in the future.

- 2.13 The MOWG also considered the timescales for the procurement of the August, 2019, School and Local Bus Services contracts and officers have worked through the network specifications and contract tendering which will form the basis of that work. All of the MOWG work to date has been used to work up that specification.
- 2.14 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments are incorporated within the report. They are satisfied that the report complies with the Scheme of Governance and relevant legislation.

3 Scheme of Governance

- 3.1 The Committee is able to consider and take a decision on this item in terms of Section E.1 of the List of Committee Powers in Part 2A of the Scheme of Governance, as the passenger transport review relates to policy issues and resource matters (within agreed budgets) relating to those functions which have not been reserved to the Full Council or specifically delegated to any other Committee of the Council for Education.

4 Implications and Risk

- 4.1 An equality impact assessment (EqIA) is not required, because this report only seeks the Committee to note the progress of the Passenger Transport Network Review Member Officer Working Group and does not have a differential impact on any of the protected characteristics. An EqIA will be undertaken when designing any new passenger transport network and will form part of the future report to the Committee outlining the outcomes of the review.
- 4.2 There are no direct long staffing and financial implications associated with the report. Any financial implications which may arise, due to the work of the MOWG, will be reported to future meetings of the relevant committees, as appropriate, and any potential budget implications incorporated in the 2020/21 and future year budget preparation processes.
- 4.3 No Risks have been identified as relevant to this matter on a Corporate or Strategic Level although the MOWG will be asked to consider any emerging Risks and appropriate mitigation measures in the next set of workstreams. Should such risks be identified, these will also be reported to the Committee, as appropriate.
- 4.4 The Town Centre First Principle will be taken into account when determining appropriate supported bus service delivery.

Stephen Archer
Director of Infrastructure Services

APPENDIX 1

Passenger Transport Network Review Member Officer Working Group Minute of Meeting of 14 May 2017, Woodhill House

Present

Cllr Peter Argyle
Cllr Martin Ford
Cllr John Cox
Cllr David Aitchison
Alison Alexander – Accountant, Finance
Ewan Wallace – Head of Transportation
Edwin Duncan – Business Support and Development Manager
Marion Mackay – Principal Officer, PTU
Allan MacKenzie – Principal Solicitor, Legal Services
Mike Ogg – Strategy and Business Service Partnership Manager
Tom McLennan – Commercial Manager, C&PSS
Alana Bowie – Senior Transport Officer, PTU

Apologies

Richard McKenzie
Leigh Anderson

1. Introductions

Ewan Wallace welcomed the group and introductions were made.

2. Agreement of Chair

It was agreed to appoint Councillor Peter Argyle as the Chair of the Working Group.

3. Working Group Remit

Ewan Wallace (EW) outlined the main points in the draft Remit that had been circulated. He also highlighted the very tight timescale, as noted in Appendix 4 of the main report; linked to the scheduled retendering of local bus and school transport contracts in South Aberdeenshire, which are due to expire in July/Aug

2019. EW then referred to the new Bus Bill that will provide opportunities for local authorities.

Councillor Cox queried the potential for increased use of the in-house fleet. EW agreed that this would be clarified within the Remit.

Councillor Ford referred to the “timescale” section of the Remit and the difficulty of having definitive findings and an agreed outcome by August 2018. It was agreed the Remit should be amended to state that progress reports be submitted to policy committee(s) in autumn, as opposed to the ‘outcomes’ of the MOWG.

It was noted that there is the option to extend the current transport contracts, rather than tender in 2018/19.

Councillor Ford requested the Remit include the overall ‘aspirations’ of the review. It was agreed that these would be included through reference to the policy priorities set out in section 4.1 of the context paper; acknowledging, in addition, health and well-being issues, such as access to health services that were raised by Mike Ogg (MO), and the needs of people without private transport.

Subject to the above amendments, the Remit was agreed.

4. Background and Context Report

EW summarised the report and the following issues were discussed in detail.

a) In-house services:

Regarding the potential expansion of in-house service provision, it was agreed that this possibility should continue to be looked into. However, it was also acknowledged that fleet expansion would have major implications.

b) Franchising:

It is believed the new legislation, highlighted in section 7.5 of the report, will include the opportunity to franchise. EW advised this could mean the Council could franchise transport for an entire school network area (CSN) or an entire administrative area (e.g. the whole of Buchan). This could have potential advantages, but it could restrict the opportunity for smaller bus operators or taxi operators to bid for work.

Councillor Ford advised that franchising an area would be a way to make sure operators cover less desirable commercial routes as part of an overall package.

Councillor Argyle noted franchising may be more suitable in some areas than others

It was agreed that Officers should provide a report on the potential for franchising locally, including on what form franchising might take and how it could be used, the benefits it may pose and the likely potential operator interest.

c) Means of Service Delivery:

Marion Mackay (MM) discussed the potential for the expansion of demand responsive transport services; a type of service that Stagecoach is currently interested in. This could be done by introducing more in-house or contracted A2B dial-a-bus services. However, she noted the previous lack of operator interest in bidding for new dial-a-bus services and highlighted the need to engage with bus and taxi operators to encourage involvement.

d) Vehicle specifications:

EW asked if the MOWG wished to consider the matter of engine emission standards, as detailed in section 9.5 of the report.

Councillor Ford referred to discussions on this subject when the Passenger Transport Strategy was reviewed in 2014. He noted that higher engine emission standards tend to be aimed at air quality rather than the CO2 produced by vehicles and, whilst this may be a higher priority in suburban/urban areas, it is not necessarily relevant in more rural areas. He noted that vehicle fleets should be getting more environmentally friendly through the natural lifecycles of vehicles, as old vehicles are replaced by newer models, and hence there will be engine emission improvements regardless of any Council action.

EW advised that operators may need to improve their fleets if a LEZ (Low Emission Zone) is implemented within Aberdeen City.

It was agreed that Officers compare transport operator fleet data collected in 2014/15 with current fleet data to try to determine what will happen if the Council takes no further action (other than the standards recently introduced in the new Dynamic Purchasing System for transport contracts) and that this information should be reported back at the next meeting.

e) School Transport:

EW suggested there is an option to look at the current school transport arrangements for pupil pick-up and drop-off points (PUDOs), as per sections 9.8.4 and 9.8.5 of the report.

Edwin Duncan (ED) queried how this idea related to the ongoing work of reviewing all school transport routes in order to make efficiencies. MM clarified that the ongoing route optimisation work is based on the existing PUDOs and pupil numbers, and aims to identify areas where the number of vehicles can be reduced. She also highlighted that a review of PUDOs would require safety assessments of walking routes.

Councillor Argyll noted that this would be a large piece of work, and would potentially generate a political and parental backlash.

Councillor Ford suggested that in order for the MOWG to make a decision on whether to fully investigate this option, it would be helpful to be provided with an indication of potential savings. Only if these are significant, would the proposal merit full investigation. It would also be worth considering how much privilege school transport charges would need to be increased to achieve the similar savings.

It was agreed that Officers look at one geographical area in order to estimate 'ballpark' figures of potential savings and report back to the MOWG.

It was further agreed not to review the Council's policy on walking distance for free school transport.

f) Passenger Transport Network Hierarchy/Typology:

After some discussion it was agreed that the network hierarchy/typology included in the current Passenger Transport Strategy, as per appendix 3 of the report, should not be changed.

g) Area Committee Engagement:

It was agreed that reports should only be submitted to Area Committees if/when there are clear proposals for changes that require consultation. At such time, there would also need to be engagement with communities and the Integration Joint Board.

It was noted that there is also the opportunity to feed into the wider consultation that will be held on the Council's budget.

5. Future Meetings

It was proposed to hold these on Monday afternoons with the first to be held in about a month's time.

(post meeting note: the next meeting will be held at 1515 hours on 2 July 2018)

Actions arising from the 1st meeting of the MOWG:

- 1) Amend the MOWG Remit:**
 - a. timeline to state 'progress' of MOWG not 'outcomes' by Autumn 2018;**
 - b. include explicit reference to a potential expansion of in-house fleet use; and,**
 - c. add in overall aspirations for the review by building on the wording in paragraph 4.1 of the context report, and include reference to health and well-being issues.**
- 2) Report back on feasibility of franchising – what form this might take and how it could be used, benefits it may pose and potential operator interest.**
- 3) Compare data of 2014/15 emissions with current, and what may happen in the future and report back.**
- 4) Estimate potential savings of using "muster points" for school transport and report back.**

Passenger Transport Network Review Member Officer Working Group
Minute of Meeting of 02 July 2018, Woodhill House

Present

Cllr Peter Argyle
Cllr Martin Ford
Cllr John Cox
Cllr David Aitchison
Alison Alexander – Accountant, Finance
Ewan Wallace – Head of Transportation
Edwin Duncan – Business Support and Development Manager
Richard McKenzie – Passenger Transport Manager
Leigh Anderson – Senior Solicitor, Legal Services
Mike Ogg – Strategy and Business Service Partnership Manager
Tom McLennan – Commercial Manager, C&PSS
Alana Bowie – Senior Transport Officer, PTU

1. Minute of Last Meeting

The Minute of the meeting of 14 May 2018 was approved.

2. Vehicle Emission Standards

Richard McKenzie (RM) provided an overview of the Emission Standards Report which had been circulated prior to the meeting. The report illustrated that the most common categories of vehicles used on passenger transport services were Euro 5 and V in the school year 2017/18, an improvement since 2013/14. Euro V is higher than the contractually required level of Euro III for PSVs. This improvement in PSV engine emission standards could be due to implementation of the PSVR Regulations, normal vehicle replacement cycles and/ or the impact of the Council Services Terms & Conditions; it is hard to tell which factor has influenced the change most.

The new Passenger Transport Dynamic Purchasing System (DPS) includes the new requirement for taxis/PHCs to meet a minimum standard of Euro 4, with effect from August 2019, but as only 7% of those vehicles are currently Euro 3 this should not have any significant cost implication. The question was raised if it was worth forcing further improvements, or whether to just to leave it to the natural progression towards improved vehicles.

Cllr Martin Ford (MF) queried what the consequences of a Policy change could be, and how hard it would be to predict what the outcomes would be.

RM explained that if the Council were to adopt a higher Euro rating, it would have potentially significant cost implications but that in the case of taxis/PHCs improvements were likely anyway, primarily as a consequence of the shorter life-cycle of such vehicles. He then mentioned that the Glasgow LEZ (Low Emission Zone) is being implemented in a manner which permits vehicle fleets to be updated incrementally. A similar approach could be adopted by the Council, lessening the financial burden on operators. Regarding LEZs there were concerns that with the introduction of LEZs and similar Clean Air Zones in English cities, older vehicles would be re-deployed by major operators to rural areas such as Aberdeenshire. Such vehicles would also become available on the second-hand market. MF queried whether action should be taken to prevent Aberdeenshire becoming 'a dumping ground' for such decanted vehicles.

Ewan Wallace (EW) advised that Officers would continue to watch how the LEZ progresses in Glasgow, and whether new vehicles are required or if existing vehicles are upgraded. An incremental approach to raising emission standards would also give operators a degree of certainty over what is required and when, with the new tenders due over the next couple of years.

Cllr Peter Argyle (PA) reiterated that the Council don't want to have lower emission standards than other areas, resulting in Aberdeenshire being left with older vehicles than elsewhere.

It was agreed that the MOWG should be updated in the autumn once there is more information on how the Glasgow LEZ is progressing. It was also agreed to seek advice from Procurement and/or Legal Services regarding whether a higher Euro rating could be applied to the newly implemented DPS.

3. Bus Franchising

EW referred to the new Transport (Scotland) Bill which had recently been presented to Parliament. He advised that Transportation were reviewing the contents of the Bill with a view to reporting to Committee on how this compares with current legislation.

RM suggested that it may be appropriate to see how other elements of the bus legislation develop, in particular regarding enhanced partnership working, prior to considering franchising further, which could potentially be very costly and involve considerable financial risk to the Council.

MF considered that franchising is something that needs to be looked into, as the current system is not delivering the Council's transport aspirations and, as such, we cannot continue to supply transport in the way that we are currently doing it. In particular, the Council currently have no control over commercial bus services and therefore franchising may be an option worth looking into.

PA agreed that franchising is worth considering, however that this policy option should be looked at once the Bill has been passed.

EW added that the report does highlight two potential bus corridors, Deeside and Kemnay, which could be taken forward in terms of franchising, but it is hard to know what costs and work would be required to implement them. RM highlighted the lack of fares and other revenue information available given the commercial nature of the majority of the services/journeys on the corridors.

It was agreed that a cost / benefits analysis of implementing a new model / policy of bus franchising should be completed, by choosing an area to look at and undertaking a high level analysis.

It was also agreed that franchising should not be progressed in the context of school transport as this is an area of service delivery over which the Council currently has full control.

PA confirmed that bus franchising should not be ruled out, but should be reconsidered once a high level cost / benefit analysis has been completed.

The MOWG resolved that once the Bill has been passed, a report should be submitted to the Infrastructure Services Committee on bus franchising.

4. School transport 'Muster Points'

RM apologised that a more in-depth empirical analysis could not be undertaken due to the limited timescale, however, he advised that an area, Turriff CSN, had been identified, existing school transport routes and PUDOs mapped and senior PTU staff had considered the opportunities afforded by implementing a policy of 'muster points', based on professional intuition/knowledge. As outlined in the circulated report, this had been done by considering each category of pupil.

There were very limited opportunities to find safe 'muster point' locations, which, in turn, then raised issues regarding the safety of the walk route to/from the 'muster point'. In all or almost all instances there would be a consequential requirement for feeder buses to get pupil safely to these points. In situations where a safe walking route would be available, for example, in built up areas, there would be no reduction in vehicle mileage and therefore operational savings by aggregating existing PUDO's into a single 'muster point'.

Potential financial saving were not quantified as it was concluded that even if any could be identified they would not be significant.

As outlined, in Section 3.3 of the report, an exercise had been undertaken in 2005, effectively requiring many pupils to walk further to PUDOs, generating at that time route mileage savings in excess of 10%. On introduction, it became apparent that this had been 'over-specified', requiring the reintroduction of a number of vehicles and/or revised routes and PUDOs. In essence, the implementation of even greater walking distances to/from PUDOs was not a viable option.

PA recommended and the MOWG agreed that the option of 'muster points' was not worth considering further, acknowledging the work done in 2005, and that the anticipated savings did not outweigh the potential complaints and safety concerns raised.

RM confirmed that a route optimisation exercise would be undertaken before the contracts were re-tendered in order to ensure that any inefficiency that may have 'crept into' the school transport network since 2005 would be identified and removed.

5. Project Scope & Further Actions

EW confirmed that work is being undertaken on school transport route optimisation, and that consideration is also being given to expanding the in-house fleet.

It was agreed that both these work streams should be included within the scope of the Review.

Regarding the second work stream, EW advise that there were indications that in-house service delivery could be more cost-effective in some instances, but that it was important to investigate the effect this approach could have on the market place. It was also important to consider what additional resource would be required to manage an expanded fleet.

As the summer is the peak workload period for school transport it was agreed that this work should re-commence after the start of school term in August, with a report on 'in-house' service delivery submitted to a future meeting of the MOWG covering key outcomes, delivery models, and potential savings.

6. Date of next meeting

To be confirmed. Mondays were re-confirmed as the most convenient day for the members of the MOWG

Actions arising from the 2st meeting of the MOWG:

- 1. To include within the scope of the Passenger Transport Network Review:**
 - a. the mainstream school transport route optimization exercise being undertaken under the ongoing Total Transport Review; and,**
 - b the potential benefits in expanding 'in-house' provision of passenger transport services.**
- 2. Report back to the MOWG on the high level costs and benefits of bus franchising on one route corridor, e.g. Deeside.**
- 3. Report back to a future meeting of the MOWG on the potential models of enhanced 'in-house' service delivery and associated financial savings**
- 4. Officers to monitor the implementation of the Glasgow LEZ and potential impact on vehicle allocations within Aberdeenshire.**

Passenger Transport Network Review Member Officer Working Group

Minute of Meeting of 26 September 2019, Woodhill House

Present

Cllr Peter Argyle
Cllr David Aitchison
Alison Alexander – Accountant, Finance
Ewan Wallace – Head of Transportation
Edwin Duncan – Business Support and Development Manager
Mike Smith, Commercial Manager, Procurement & Commercial Shared Service
Alana Bowie – Senior Transport Officer, PTU
Neil Stewart, Principal Officer, PTU (Local Bus Services)
Marion Mackay, Principal Officer, PTU (DRT, Fares and Ticketing)

Apologies

Cllr Martin Ford
Cllr John Cox
Leigh Anderson – Senior Solicitor, Legal Services
Mike Ogg – Strategy and Business Service Partnership Manager
Tom McLennan – Commercial Manager, C&PSS
Richard McKenzie – Passenger Transport Manager
Craig Clement, Head of Resources and Performance

1. Minute of Last Meeting

The minute of the meeting of 02 July 2018 was approved

2. Matters Arising from Minutes

Ewan Wallace (EW) confirmed that progress on the Glasgow Emission Zone (the first phase of which is scheduled to be implemented on 31 December 2018) is still being monitored, but that there has not been much movement to report as yet. Funds are to be made available to 4 different cities who put forward plans, and any updates will be forwarded on when any further information is available.

3. Prioritisation of Bus Support in Aberdeenshire: A Discussion Paper

EW gave an overview of the paper including the appendices which show the breakdown of local bus and A2B dial-a-bus services by category and the associated spend profile on passenger transport services (Appendix 1) and tables to show the annualised cost for each service (Appendix 2). He then passed to NS introduce the paper in more detail before the discussion was then opened to the

group on how this could be used as the 'building blocks' for prioritisation of the budget / service delivery.

NS explained each of the 7 Local Bus categories in more detail, and where supported services could potentially be revised or withdrawn to make savings, referring to the examples provided in paragraphs 4.13 ('commercial' corridor enhancement between Aberdeen and Banff) and 4.14 ('shoppers' services where alternative destinations are available). NS also highlighted the services which operate across peak periods.

In conclusion, NS advised that Stagecoach are revising their commercial network in November, with significant implications for supported services, such as Ellon Town (54) and Peterhead/Ellon – Dyce (747), so revised information on such services would be provided when possible.

MM then covered the details regarding A2B dial-a-bus Services (Appendix 2 tables 8&9). She also mentioned the Turriff Town and Circular service (257/258), included in table 7, which is proposed to be covered by A2B services, paid for by the European-funded G-Patra project. This is intended to serve as a pilot for running an in-house service during peak hours before and after school transport runs and on Saturdays.

In response to a query MM advised that Central Buchan A2B (table 8) is very busy, with the times recently extended to start 30 minutes earlier in the morning.

The public reaction to a change from a conventional service to demand responsive was queried, and MM confirmed that although there can be some resistance to change, generally communities embrace the service, especially elderly customers who are now able to get transport to and from their door, which is helpful when doing shopping etc, such as experienced in Banchory. It was confirmed that the pilot in Turriff would serve as a guide to how this change could be most easily facilitated from fixed route to A2B.

Cllr Peter Argyle (PA) queried if the change from fixed route to DRT services would save money. MM confirmed that if it were an in-house inter-peak service then it would, however contracting-in could potentially be more expensive depending on the type of service. She also advised that running an in-house service provides the flexibility of trying out different times etc without a requirement to register the service or any changes with the Traffic Commissioner. Potentially the service could be tendered in future. It was noted that there have been examples of communities where attempts to introduce DRT have been unsuccessful, e.g. the peak Laurencekirk A2B rail feeder service.

EW then asked the group for its views on how the categories, and therefore "service building blocks" (as per Table 10), could be ranked in terms of future budget spend. Cllr David Aitchison (DA) asked for clarification regarding passenger numbers on each service, so the demand/cost relationship for each service could be put into perspective. NS explained that this information is available in the Performance Management Framework Model (PMFM) used to assess the relative performance of individual supported services. The model also

takes into account subsidy per passenger and factors such as car ownership, multiple deprivation, etc. It was agreed to provide figures on usage to the next meeting.

PA reaffirmed the current trip purpose hierarchy, with the main priority being the provision of services to enable people to travel to and from work. DA was in agreement with this view.

PA also referred to the 'Commercial Corridor Enhancement' category and agreed that, in cases where alternatives exist or could be provided by the operator, the supported journeys could potentially be considered for withdrawal.

DA commented that the 'shopper services' category could be considered leisure. MM acknowledged this but highlighted that for many older people such services could potentially provide health and wellbeing benefits by reducing isolation and loneliness. PA commented that such needs are best served by A2B.

EW confirmed that passenger numbers would be collated and trip purpose identified where possible to assist in determining which service types to be prioritised in terms of future budget provision.

It is intended to report on the progress of the MOWG to ISC on the 29th November.

4. Bus Franchising

EW advised that the Transport Bill is likely to be passed in August 2019, and so the opportunity for franchising will not be in place before the retendering of Aberdeenshire South local bus services in August 2019. The report however sets out the actions that are expected to be required should franchising be pursued in future.

5. Total Transport Review: Progress Report

EW gave an overview of the report.

Following an initial review of school transport the focus had been on the merits of moving more toward in-house operation of contracts. However, work is now underway on the route optimisation of all mainstream school transport networks, starting with those in South Aberdeenshire, due to be tendered in 2019. Based on the three CSN networks that have been analysed so far, there are potentially significant savings that can be made from route optimisation. However, the potential annualised savings through re-tendering revised routes in Aberdeenshire South would not be fully realised until financial year 2020/21 and further work will be required to confirm that the revised networks are operationally feasible.

It was requested by Edwin Duncan that updates on potential savings be provided to E&CS DMLT.

6. Timeline – New Contracts August 2019

The procurement dates for the mainstream school and local bus service contracts to be tendered to start in August 2019 are still to be finalised but the last time such an exercise was undertaken tenders were invited in December.

7. Date of Next Meeting

The next meeting has now been set, and an invite sent to all members for 11.30am on the 1st November 2018, 1st floor Coffee Bar Woodhill House.

Action

To provide additional data on passenger demand on supported bus service contracts.

Passenger Transport Network Review Member Officer Working Group

Minute of Meeting of 01 November 2018, Woodhill House

Present

Cllr Peter Argyle
Cllr David Aitchison
Cllr John Cox
Alison Alexander – Accountant, Finance
Ewan Wallace – Head of Transportation
Tom McLennan – Commercial Manager, C&PSS
Richard McKenzie – Passenger Transport Manager
Craig Clement, Head of Resources and Performance, E&CS
Lorraine MacLeod, Strategic Change Leader, Customer Comms & Improvement
Leigh Anderson – Senior Solicitor, Legal Services
Alana Bowie – Senior Transport Officer, PTU
Neil Stewart, Principal Officer, PTU (Local Bus Services)
Marion Mackay, Principal Officer, PTU (DRT, Fares and Ticketing)

Apologies

Cllr Martin Ford
Mike Ogg – Strategy and Business Service Partnership Manager, H&SCP

Cllr Peter Argyle (PA) began by asking everyone to introduce themselves as there were some new faces attending the meeting. Introductions were made round the table.

1. Minute of Last Meeting

The minute of the meeting of 26 September 2018 was approved

2. Matters Arising from Minutes

There were no matters arising from the minutes, with exception of information which was requested and will be covered within this meeting.

3. Progress Report

Ewan Wallace (EW) gave a brief overview of the report, indicating that at the previous meeting there had been a focus on mainstream school transport, whereas this report is more focused on local bus services. He then passed onto Richard McKenzie (RM) to go over the report in further detail.

RM directed the group to Appendices 7 and 8 which show potential options of how the public transport network review could be progressed, ranging from keeping the 'status quo' to more radical options. The appendices include tables setting out examples of potential spend on different categories of services, assumptions made, and the pros and cons of each potential option.

RM emphasised that none was forwarded as a preferred option and that the highlighted approaches were not mutually exclusive. RM also referred to the draft Action Plans within Appendix 9, including potential timescales for the implementation of each option.

EW then invited discussion / questions on the report.

Craig Clement (CC) commented it would be good to have information on how each option would affect the community / current passengers, e.g. if a town bus service is removed, what are the implications for those affected such as school pupils.

RM responded that in most towns, there are some alternatives available but they may not be an exact replacement, for example commercial bus services may not penetrate so many streets so passengers may have to walk slightly further. There are also dial-a-bus services available in many areas, suitable for older people. Overall many people would be inconvenienced.

CC was concerned that a reduction in public transport subsidy could require more to be spent on replacement services for school transport. RM confirmed that both the potential effect on commercial bus services and what alternatives are available would need to be considered.

Neil Stewart (NS) added a comment regarding the tables and information provided. As the number of passengers on each contract referred to in Appendix 3 is given as the average number, this does not necessarily accurately represent the number of passengers on each individual journey. For example, a contract may include both peak and off-peak journeys. Although peak journeys may have a high passenger use, daytime off peak times may have a much lower usage, and so bring the average number of passengers down.

EW then directed the group to Appendix 8 (Option 2), setting out three potential options to accommodate a reduction in spend necessary to ensure the allocated budget is not exceeded.

- Option 2A – Based on Performance Management Framework Model only

This option is based solely on the results of the current Performance Management Framework (PMF) model. Whilst the PMF model has been used in previous years, on these occasions it has been used simply as guide to identifying contracts that may be worthy of review. Not all services

with low performance scores have been withdrawn; based on other factors and/or local circumstances.

One of the disadvantages of this option is that some Stagecoach contract prices are artificially low as they are based on package bids for multiple contracts. The scoring within the PMF model is also heavily orientated towards passenger demand, with 50% of the score attributed to existing patronage and subsidy cost/passenger.

It was also reiterated, that contracts vary significantly with some including a mixture of well and poorly performing journeys. Therefore the PMF model scoring needs to be treated with care.

This option would mean all categories of service would see some level of reduction but would mean that better patronised peak journeys are retained.

The PMF model, as listed in Appendix 3, is best used as a tool to identify contracts at risk of withdrawal, but other factors should ideally also be considered such as whether there are parts of contracts performing well.

There was some discussion regarding what constitutes good or bad performance of a contract. It was noted that the PMF model has never been used to identify service/journey withdrawals on the scale now required so it will be difficult to mitigate against the negative effects and deliver an 'optimal' network.

- Option 2B – Policy Driven – withdrawal of services in various categories of spend

This option is based on the basic assumption that some types of services, e.g. evening and Sunday journeys, are 'less important' than others and so should be removed first. RM offered an example of how the evaluation of Service 290/291 (Aberdeen – Tarves – Methlick) could be treated differently under Option B where evening services could be withdrawn, as these are seen in general to be 'social' journeys, whereas under Option 2A these evening journeys would score highly under the PMF model as they are well used, and so they would not be at risk of withdrawal.

Option 2B also proposes that journeys on mainline commercial routes could be withdrawn. This would, for example, result in all supported journeys between Aberdeen and Stonehaven being withdrawn, whereas again these may perform well under the PMF model.

Cllr David Aitchison (DA) queried the risks of removing support for journeys on the presumption that they would be retained on a commercial basis. There followed discussion regarding the likelihood of Stagecoach continuing to operate such journeys on otherwise commercial bus routes should Council support be withdrawn. NS and RM expressed the view that it was likely that the company's response would vary by corridor/journey.

EW advised that as this option would be a new approach to reviewing the network, we would need to be very clear on the policy position and how it has led to the decision on which services/journeys to withdraw.

- Option 3 – ‘Clean Sheet’

RM confirmed that within the UK in general, bus networks are on the decline, and this is unlikely to change without a radical change in service delivery, for example through more flexible services being offered (not only A2B style supported dial-a-bus services, but also commercial alternatives such as flexible feeder style services). He also raised the potential of bus services feeding into rail services rather than trying to compete with them.

A “clean sheet” option would take longer to implement and therefore could not be in place for implementation in April 2019 (to coincide with the new financial year). The group noted that this is the most radical of the options, and therefore has the highest risk involved, but also has the highest potential return of the three options presented.

PA advised that he had spoken to David Liston, Managing Director at Stagecoach Bluebird, who had confirmed their interest in using smaller vehicles to get passengers to train stations. He also agreed that the general decline in patronage in bus services required a radical change to how the network is run if a positive outcome is to be achieved.

Cllr John Cox (JC) voiced his agreement with taking a fresh approach to address budget and patronage issues.

EW confirmed that the Agenda for the ISC meeting on 29 November includes an update on the MOWGs progress. He also informed the group that under all the potential action plans listed, the Aberdeenshire South mainstream school contracts, whose specifications were being informed by the on-going route optimisation exercise, were due for re-tender in early 2019, with contracts to start in August 2019; with the North mainstream schools scheduled to be re-tendered for August 2020. Potential procurement timescales/key dates are shown in Appendix 9.

CC commented that although the route optimisation work is worth doing in order to achieve best value the outcome could result in new issues, e.g. if the bus journey is longer for pupils there could be issues for parents and/or operators. He also added that it would be best to look at the local bus service contracts in conjunction with the mainstream school transport contracts, as they could affect each other.

EW advised that the very large volume of work merits the implementation of a dedicated project team. This was agreed by the group.

The group noted that should financial savings be required to be made for financial year 2019/20, local bus services require to be withdrawn from 1 April 2019 to minimise the impact, so either Option 2A or 2B would need to be implemented.

There was some discussion regarding governance arrangements and it was confirmed that Options 2A and 2B fall within Officers' Powers.

EW suggested that should the group wish to progress Option 2C in addition to Options 2A or 2B, the MOWG should be continued and perhaps expanded.

PA queried whether, if Option 2A or 2B required to be chosen to ensure the budget allocation was not exceeded, could Option 2C still be progressed, given the potential workload, EW and RM both recommended that the work required to implement Option 2C in due course would be worth undertaking, not simply to address potential budget savings, but also to provide a more optimal and sustainable future network.

The group agreed that in order to tender for new local bus service network contracts and contain spend within the allocated budget provision the review should be progressed primarily on the basis of Option 2A (acknowledging the limitations of the PMF model), with an aim to implement Option C in due course.

In following this course of action, it was noted that there is the potential issue that the contracts which will take effect in 2019 and 2020 are 5-year contracts. Operators may invest in new vehicles for these contracts, and may therefore not be amenable to a radical revision to the supported network part way through the contract terms.

DA queried if the contracts could be made more flexible to allow for this. RM advised that there is the possibility to make the contracts more flexible or of a shorter duration, but operators may reflect this uncertainty by increasing tender costs. Leigh Anderson (LA) confirmed from a legal point of view the Council can make the contracts as flexible as it wishes, but this does not account for how this may be reflected in operators' tender bids.

PA summarised the Group's recommendation that the 'Clean Sheet' option 2C should be progressed in the medium term, but that in the short term contract specifications be prepared primarily on the basis of Option 2A.

It was further agreed that the MOWG continue to meet to oversee the consideration of Option 2C and, that a wider project team be convened to progress the overall review and procurement process.

EW proposed that the MOWG progress report to ISC on 29 November recommend an expansion of the MOWG's membership. This was agreed.

4. Date of Next Meeting

The next meeting of the MOWG will be after the ISC meeting at the end of November.

Passenger Transport Network Review Member Officer Working Group

DRAFT Minute of Meeting of 24 January 2019, Woodhill House

Present

Cllr Peter Argyle, Chair

Cllr John Cox

Cllr Martin Ford

Cllr Stephen Smith

Tom McLennan – Commercial Manager, C&PSS

Alex Bain – Business Support Officer (North), E&CS

Alison Alexander – Accountant, Finance

Gordon Lyon – Marketing & Communications Officer

Ewan Wallace – Head of Transportation

Richard McKenzie - Passenger Transport Manager

Marion Mackay - Principal Officer, PTU (DRT, Fares and Ticketing)

Neil Stewart - Principal Officer, PTU (Local Bus Services)

Alana Bowie - Senior Transport Officer, PTU / MOWG Project Officer

Apologies

Cllr David Aitchison

Leigh Anderson – Senior Solicitor, Legal Services

Lorraine MacLeod - Strategic Change Leader, Customer Comms & Improvement

Craig Clement - Head of Resources and Performance, E&CS

Mike Ogg – Strategy and Business Service Partnership Manager, H&SCP

1. Minute of Last Meeting

The minute of the meeting of 01 November 2018 was approved.

2. Matters Arising from Minutes

There were no matters arising from the previous meeting other than those on the agenda.

3. Local Bus Service Revisions

Richard McKenzie (RM) provided an overview of the Local Bus Service Revisions report: the purpose of the report; and, the recommendations regarding revisions to the supported Local Bus network. RM highlighted that

these proposals do not reflect any comments received from the Infrastructure Services Committee nor any commercial response by an operator.

Peter Argyle (PA) asked at this point that it be noted that he is on the Board of Mid Deeside Community Trust who operate the Village Hopper Service, and therefore has an interest in this service. Should a conflict of interest emerge he would recuse himself from the discussion.

RM advised that the supported bus network had been reviewed in the manner agreed by the Member Officer Working Group (MOWG). He brought to the Group's attention the 43 poorest performing service 'components', as identified by means of the Council's Performance Management Framework (PMF) model and as highlighted in Appendix 2 of the report. Of these 43 service components, it is recommended that 36 are withdrawn, and that seven are maintained. The seven service components recommended for retention are:

- **Service A2B8 - Turriff A2B dial-a-bus** (Saturday service) – This is a newly introduced service which forms part of the G-Patra project and as such is subject to external EU funding.
- **Service A2B11 - Deeside A2B dial-a-bus** (Monday - Friday) - It is difficult to compare the performance of demand responsive transport (DRT) with fixed route local bus services, and it should also be borne in mind that A2B dial-a-bus services can be, and are, changed much more rapidly than registered Local Bus services in response to evolving passenger requirements. For example, this service was only recently amended and the service to/from Braemar replaced by a service operated by Ballater Royal Deeside Ltd.. It is anticipated that this recent revision will result in increased usage in the other areas served by Deeside A2B dial-a-bus. It is planned to monitor the impact of the latest service revision on the overall performance of the service.
- **VH4 - Deeside 'Village Hopper'** (Monday and Wednesday) – This service is currently subject to discussion with the operator, Mid Deeside Community Trust, with a view to incorporating the poorly performing Aboyne Town Service components within other better performing 'rural' journeys.
- **Service 54 - Ellon Town Service** (Saturday) - these journeys are currently incorporated within Stagecoach North Scotland's commercial services to/from Ellon, and have recently been subject to a reduction in service frequency. It is therefore recommended to maintain support for this service and continue

to monitor the performance of the service, in light of the recent commercial service revision.

- **Service 747 - Peterhead / Ellon - Airport** (Monday - Friday) – This service component has been recently incorporated within the new Stagecoach North Scotland's service 747 (Peterhead/Ellon – Montrose) which operates via the AWPR and provides cross-city connections. Were support for this service to be withdrawn, the viability of the experimental service would be jeopardised.
- **Service 107 - Stonehaven - Montrose** (Monday - Friday) - it is also proposed to maintain support for this service component as it also forms part of the new service 747 commercial initiative. However, it is proposed to withdraw the weekday early morning and Saturday evening components of the supported service with Stagecoach North Scotland confirming they will retain the journeys concerned on a commercial basis until further notice.
- **Service 403 - Kingseat - Kinmuck - Inverurie** (Thursday) – Cllr Martin Ford (MF) advised that he himself uses the service and that it is well patronised. RMcK advised that the service was recommended for retention in the anticipation that, with the withdrawal of service 402 (Kingseat – Hatton of Fintray – Inverurie on Tuesdays), the performance of the service would improve.

In addition, the following service component, which was ranked higher in the PMF model, was identified for withdrawal as it interworks with the poorly performing Monday to Friday evening journeys between St. Combs and Fraserburgh (Service 69), which are recommended to be withdrawn. As the same resources are used for both services in the evening, no savings would have accrued from the withdrawal of one component in isolation.

- **Service 74 - Rosehearty – Fraserburgh** (Monday to Friday) – There is an average demand of just over 3 passengers per journey per day.

MF queried where the figures, which had been used to create the aimed for savings, had been drawn from, as the Council's 2019/20 Revenue Budget had not yet been agreed.

Ewan Wallace (EW) confirmed that the figures had been calculated by taking the current year budget allocation, removing the one-year additional Scottish Government funding received in February 2018, and taking into account an

anticipated inflationary pressure to the cost of current contracts; resulting in a figure of £760k. This was confirmed by Alison Alexander. The PMF model was then applied to the current network with this figure in mind, with officer knowledge from within the PTU teams leading to adjustments to the 'outcomes' of the PMF model where required. The number of journeys/services proposed for withdrawal are subject to change, pending the confirmation of the 2019/20 budget allocation.

MF commented that there seemed to be some services which are recommended for withdrawal which have a relatively high passenger usage, for example 7 - 8 passengers per journey, and/or will only generate a relatively small saving if withdrawn, for example in the case of service 402 from Kingseat to Inverurie. He asked if the amount of savings could be reduced in order to secure such services as, for example, the Service 201 Aberdeen – Ballater – Braemar Sunday service.

EW further advised that there is a degree of uncertainty involved in withdrawing any bus service, as it is difficult to predict whether operators will absorb all or some of the components of the service within their commercial network.

MF also raised that the report states that the 'MOWG is recommended to endorse the officers' proposals'. He would not endorse these recommendations as he would not endorse the removal of any bus services. He suggested that this was not the correct wording to use, following which it was agreed that the wording should be amended to read "the MOWG is recommended to note the officers' proposals".

Cllr John Cox (JC) sought clarification on the component of Service 35 (Aberdeen - Banff) which was recommended for withdrawal. Neil Stewart (NS) confirmed this was the 1915 hours from Aberdeen to Banff (Low Street) and return (Monday to Friday).

Cllr Stephen Smith (SS) queried if this was the service which was now routed via Deveron Community and Sports Centre. NS confirmed that the Centre is served approximately hourly, with the journey sections beyond Low Street being provided on a commercial basis.

(Post meeting note: the above Service 35 return journey was retained by Stagecoach on a commercial basis).

EW highlighted to the MOWG, some services proposed for withdrawal which Members of the Infrastructure Services Committee had requested be reconsidered:

- Service 68: It was pointed out that withdrawal of the 2305 hours journey from Aberdeen to Fraserburgh (Monday to Friday) will bring forward the last bus by an hour.

(Post meeting, Stagecoach retained the 2305 hrs journey on a commercial basis but rationalised the 2105 hrs and 2205 hrs departures into one journey at 2135 hrs).

- Service 51: (Fraserburgh - New Pitsligo - Ellon): concern was expressed regarding the Saturday service withdrawal. NS advised that New Pitsligo has Central Buchan A2B dial-a-bus on Saturdays, which can cater for the passengers affected by the proposal.

In response to a query from Alex Bain (AB), NS confirmed that none of the services/journeys proposed for withdrawal were combined Local Bus/School Transport services.

4. Communication Plan on Service Revisions

Gordon Lyon (GL) outlined a draft Communications Plan for the implementation of the service revisions. He identified the two key communications objectives to be:

- identify the reasons for the changes; and,
- ensuring signposts are clear as to where information can be found by those affected.

This will mean ensuring online resources are available and easily found. Any media handling will be undertaken by GL, and communications to passengers through means such as the Area Bus Forums. These external communications will begin when the contract variations/terminations are issued to operators.

RM advised that the reported implementation date has been deferred by one week until 15 April. This was to the mutual benefit of Aberdeenshire Council and Stagecoach North Scotland, as it gave additional time to the Council to progress the communications plan and will allow the Stagecoach North Scotland additional time to reschedule their commercial services and associated drivers' duties and, in turn, notify the Council of any potential knock-on implications.

GL confirmed that there would also be a direct point of contact within the Service, for affected users with specific issues to approach.

EW reminded the MOWG of the previously agreed intention to expand membership of the Group and advised that this is being moved forward to ensure wider Committee/Board representation is included in the Review.

5. Service Review and Procurement Plan

RM outlined the key dates of the procurement plan. It was anticipated that there would be little change to Local Bus Services from that implemented with effect from April, but that significant changes were envisaged for the school transport network. He confirmed that the initial route optimisation exercise covering the South Aberdeenshire mainstream School Transport network has been completed and, subject to route risk assessments and potential changes to school transport demands, an overall reduction in the number of vehicles required was envisaged.

6. Mainstream and ASN School Transport Policy

EW advised the MOWG that as a number of queries had been received regarding School Transport policy, it was suggested that this will now be a standing item on the MOWG Agenda in order to address any policy related issues going forward. As the policies will undoubtedly be scrutinised along with changes to the network, it is considered appropriate to include this as a standing MPWG item. It was agreed that a reminder of the current policies as set out in the Passenger Transport Strategy be provided at the next meeting.

7. Date of Next Meeting

It was agreed that once the expansion of the MOWG has been confirmed and other representatives are in place, an invitation to the next meeting will be issued.

APPENDIX 2

Passenger Transport Network Review Member Officer Working Group

Membership and Remit

1 Membership

1.1 The membership of the group shall comprise:

Chair of ISC
Vice-Chair of ISC
Opposition Transport Spokespersons
Head of Transportation (Project Sponsor)
Passenger Transport Manager (Project Manager)
Commercial Manager, Commercial and Procurement Shared Service
Support Services Manager, Education, Learning & Leisure Service
Strategy and Business Service Partnership Manager, H&SC
Partnership
Senior Solicitor, Legal & Governance
Accountant (Transportation), Finance

2 Overall aspirations of the Review

2.1 The overall aims of the review are:

“To ensure Aberdeenshire Council’s supported passenger transport network and, in particular, the provision of bus services assists the delivery of the Council’s priorities, to: support a strong, sustainable, diverse and successful economy; have the best possible transport and digital links across our communities; and, protect our special environment, including tackling climate change by reducing greenhouse gas emissions.”

“In enabling 'Connected and Cohesive Communities' the Council’s passenger transport services should contribute to improved health and well-being outcomes and cater for the travel needs of those without access to private transport.”

3 Remit

3.1 The overall remit of the group is to:

- a) oversee and guide a review of the passenger transport network prior to the major procurement exercises in 2019 and 2020 for the provision of local bus services, A2B dial-a-bus services and mainstream home-to-school transport services;
- b) provide clear guidance to the Passenger Transport Network Review Project Team; and,
- c) agree the outcome of the passenger transport network review for recommendation to the appropriate Policy Committee(s)

3.2 Specific objectives include, to:

- a) review the preferred network typology of 'public transport' services, as set out in the Council's Passenger Transport Strategy;
- b) determine the most appropriate network of supported 'public transport' services to meet otherwise unmet travel needs;
- c) ensure other passenger transport service delivery, including school and social care transport is taken into account when identifying the most efficient and effective network, aiming to maximise available vehicle resources;
- d) identify the most cost-effective means of service delivery, including a consideration of the opportunities and implications of expanding the use of in-house vehicles; and,
- e) consider the necessary budget provision required to implement the recommended revised network of services.

3.3 Specific tasks shall include:

- a) the formation of an appropriate Passenger Transport Network Review Project Team;
- b) agreement of the project timescale(s) and, in turn, a project plan for the network review;
- c) agreement of an overarching preferred network typology for bus service provision;
- d) approval of an appropriate supplier engagement process;
- e) approval of an appropriate community engagement process;
- f) approving the scope and methodology of the operational review;
- g) review of the role of health related and-community/voluntary transport in catering for identified travel needs;

- h) exploring the potential for alternative means of service delivery;
- i) consideration of whether existing minimum vehicle emission standards should be increased;
- j) consideration of alternative applications of existing school transport policies;
- k) to advise as to whether franchising options should be investigated; and,
- l) to seek approval, if necessary, for the recommended revised passenger transport network and, if appropriate, policy changes

4 Timescale

- 4.1 The MOWG should report back on the progress of the review to the relevant policy committee(s) by Autumn 2018.

15/06/2018

