

COMMITTEE	Finance, Policy and Resources
DATE	1 <sup>st</sup> February 2018
REPORT TITLE	Lochside Academy Supported Bus Service for Cove – Fare Structure
REPORT NUMBER	CHI/17/317
INTERIM DIRECTOR	Bernadette Marjoram
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**1. PURPOSE OF REPORT:-**

- 1.1 The purpose of this report is to seek approval from members for the fare structure on the proposed supported bus service between Cove and Lochside Academy, which is subject to the 2018/19 budget setting process.

**2. RECOMMENDATION(S)**

- 2.1 It is recommended that the Committee:
- a) Approves the fare structure detailed in this report.
  - b) Agrees to include the option for bus operators to submit a tender bid where their commercial fare structure would apply on the supported bus service.
  - c) Request the Interim Head of Planning and Sustainable Development to provide a service update report to members in June 2017 on the outcome of the tendering exercise for the supported bus service detailing what fares will apply.

**3. BACKGROUND/MAIN ISSUES**

**3.1 Background**

- 3.1.1 At the Education and Children's Services Committee meeting on 16<sup>th</sup> November 2017, the committee instructed: *"that in order to support the transition to the new school, to approve Option 2a as detailed in the report with the addition of the provision of a supported bus service between Cove and Lochside Academy with pupils paying a fare to use the service to take effect from August 2018 and initially for a period of 3 years subject to approval of appropriate funding by the Finance, Policy and Resources Committee and to instruct the Interim Head of Planning and Sustainable Development to report to the appropriate Committee on the proposed fare to be paid by pupils from Cove for approval."*

- 3.1.2 At the Finance, Resources and Policy Committee meeting on 6<sup>th</sup> December 2017, the Committee, the Director of Education and Children's Services presented a report which outlined the costs for the options approved by the aforementioned Committee for providing subsidised transport to school for pupils attending the new Lochside Academy from August 2018. The committee agreed: *"to include a budget provision of the amount outlined in the report to the 2018/19 Public Transport Unit budget to cover the estimated cost of this provision, subject to the annual budget setting process and to agree a further amount, as outlined in the report to the 2019/20 budget of the Public Transport Unit to cover the fact that this will be the first full financial year of the transport provision, subject to the annual budget setting process."*
- 3.1.3 As the provision of this service is subject to the budget setting process for 2018/19 and 2019/20, the recommendations contained within this report are subject to the service provision being made through the budget setting process.
- 3.1.4 A supported bus service currently operates between Cove and the existing school at Kincorth Academy. The service is operated by First Aberdeen and the Council provides a low level of financial support. The fares on the service are in line with First Aberdeen's commercial fare structure and First tickets are issued which can subsequently be used across the First Aberdeen network.

## **3.2 Fares and Ticketing Strategy / Best Practice Considerations**

- 3.2.1 Aberdeen City Council is a signatory to the Aberdeen City and Shire Fares and Ticketing Strategy which was developed through the Local Authority and Bus Operators Forum (LABOF).
- 3.2.2 Under the strategy the Council has committed to set supported bus service fares to broadly reflect prevailing commercial fare levels. As such any supported service should operate with a fare structure broadly in line with those of the commercial bus services in the area.
- 3.2.3 Under the strategy the Council has committed to specify the sale on supported bus services of discounted child fares, including 'half-fare' single fares.
- 3.2.4 Department for Transport best practice guidance suggests that where local authorities seek to supplement the commercial network with supported services, they must ensure that proposals would not adversely affect the commercial network. In terms of good practice local authorities should generally seek to ensure that:
- New services do not duplicate existing commercial services - though some duplication on common sections of route might be impossible to avoid, in which case service specifications should, as far as possible, aim to split existing headways; and
  - Fares charged are consistent with fares on commercial services within the area in which the new service operates.

### 3.3 Proposed Fare Structure

3.3.1 Given the considerations of the fares and ticketing strategy and best practice aforementioned it would be recommended that fares on the supported bus service do broadly reflect the prevailing commercial bus fares in the area.

3.3.2 The supported service between Cove and Lochside Academy will largely replicate the route of the existing First Aberdeen services 3 and 18 and for this reason it is important that the Council is not implementing any service which may have a detrimental impact on the commercial bus network and in particular on the services 3 and 18 in this case.

3.3.3 The following single fares apply on First Aberdeen services:

<b>Ticket Type</b>	<b>1-2 Stages</b>	<b>3-5 Stages</b>
Adult Single	£1.50	£2.50
Child Single	£1.10	£1.10

3.3.4 While journeys on First services between parts of Cove and Wellington Circle may be as much as 3 fare stages, as the supported service is travelling a short distance only, it is recommended fares are set on the basis of First Aberdeen's 1-2 stage fare only. In addition as the service is primarily aimed to provide transport to the school, multi-journey tickets would be of benefit to passengers and as such the following tickets and fares would be recommended:

<b>Ticket Type</b>	<b>Adult Fare</b>	<b>Child Fare</b>
Single Journey	£1.50	£0.75
Return Journey	£2.50	£1.25
10 Journey Ticket	£13.50	£6.75
4 Week Ticket	£30.00	£15.00
Annual School Term Pass	£260.00	£130.00

3.3.5 When bus operators bid for supported bus services the tender bid will often be submitted with fares on the service to be in line with the bus operators commercial fare structure. This can allow the bus operator to better integrate the service into their network, which can also in turn reduce the cost to the local authority. As such, it is recommended that the Council avails itself to this option and when tendering for the service between Cove and Lochside Academy includes the option for operators to charge their commercial fares on the service, which may improve the quality and cost of bids the Council receives.

## 4. FINANCIAL IMPLICATIONS

4.1 The fares charged on the service and level of uptake may affect the level of subsidy the Council provides. As such the recommendations made should ensure that the service is delivered within the allocated budget.

## **5. LEGAL IMPLICATIONS**

- 5.1 The Council must adhere to the legislative requirements for bus services as determined by the Transport Act 1985 and Transport (Scotland) Act 2001 and any procurement must be conducted in line with standing orders and an open Tender process would be required through Public Contracts Scotland.

## **6. MANAGEMENT OF RISK**

- 6.1 Financial - There is a low risk that there will not be sufficient budget to provide the supported service if fares charged do not contribute to the cost of the service and if uptake is low and does not also offset the cost. The level of fares recommended would reduce this risk as these are broadly in line with commercial fares and as such the budget allocated should be sufficient.
- 6.2 Employee - There are no employee risks as a result of the recommendations of this report
- 6.3 Customer/Citizen - There is no customer/citizen risk as a result of the recommendations of the recommendations of this report.
- 6.4 Environmental – There are no environmental risks as a result of the recommendations of this report
- 6.5 Technological - There are no technological risks as a result of the recommendations of this report
- 6.6 Legal - There are no legal risks as a result of the recommendations of this report, however if fares charged do not broadly reflect that of the commercial bus services, competition considerations may be required given that the services do replicate commercial bus services and local authorities must endeavour to not adversely affect the commercial bus network.
- 6.7 Reputational - There is a low risk that is fares charged do not broadly reflect that of the commercial bus services, competition considerations may be required given that the services do replicate commercial bus services and this may impact the relationship between the Council and the commercial bus operators in the area. Officers are however working closely with the operators with regards to transport to Lochside to ensure there is strong partnership working.

## **7. IMPACT SECTION**

### **7.1 Economy**

- 7.1.1 The recommendations in this report are focussed on ensuring fares on supported services reflect that of commercial operations which ensures a level playing field with regards to public transport fares on supported and commercial bus services, so as not to adversely impact public transport services. A high quality public transport system is important for any thriving economy in transporting people to work and education and directly support the business and education sectors and ensures the workforce can travel

effectively and that all have access to appropriate education opportunities and access to all facilities in a cost effective way.

## **7.2 People**

- 7.2.1 By ensuring that all pupils at the school have appropriate means by which to travel to school, the Council will be helping to improve equity in educational outcomes.

## **7.3 Place**

- 7.3.1 No significant impacts on Place have been identified as a result of the recommendations in this report.

## **7.4 Technology**

- 7.4.1 No significant impacts on Technology have been identified as a result of the recommendations in this report.

## **8. BACKGROUND PAPERS - N/A**

## **9. APPENDICES (if applicable) – N/A**

## **10. REPORT AUTHOR DETAILS**

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