SCOTTISH BORDERS BUS NETWORK REVIEW AND RECOMMENDATIONS

Report by Director of Infrastructure & Environment

SCOTTISH BORDERS COUNCIL

25 January 2024

1   PURPOSE AND SUMMARY

1.1   **This report provides an overview of the bus network review and proposes a number of recommendations to amend bus services across the network.**

1.2   The Scottish Borders has a large number of bus services, set over a wide geographic area with a dispersed population. The routes have remained largely unchanged for many years. Only a small number of the services operate commercially, and Scottish Borders Council invests significant revenue funding each year to keep 80% of the network operating.

1.3   Scottish Borders Council commissioned a full bus network review in 2022, with the support of the City Deal Workforce Mobility Project. It sought to assess the efficiency and effectiveness of the existing commercial and supported bus services, and make recommendations, where appropriate, that could improve the network in relation to better meeting potential outcomes and/or improving service efficiency.

1.4   A wide scale community and business engagement exercise was undertaken to identify the needs of communities and to assess new travel demand that is not currently met by the existing public transport network. This information has been used to design a new network that is focused on key trip attractors, such as the Borders General Hospital, rather than just servicing key road corridors across the region.

1.5   The review found that overall, the majority of the network operates well and provides sufficient coverage but there are opportunities to increase the frequency of inter-town services and town services, while looking at improving the operational durations and the timing of services to key employment, education and healthcare sites.

1.6   The review highlighted the opportunity for more demand responsive services to be introduced across the Scottish Borders to link remote rural communities into key towns.

1.7   An economic assessment was undertaken and has identified that the bus network provides significant economic and social value to the region, and

that SBC's support for non-commercial services provides a good rate of return.

1.8 The recommendation in this report will be delivered as existing Service contracts expire. However, due to the return of some service contracts by operators in the last six months, the Passenger Transport team have already utilised the analysis and recommendations of the Bus Network Review to implement changes to mitigate the loss of services where possible and sustain the existing commercial network.

2   RECOMMENDATIONS

2.1 **I recommend that Scottish Borders Council:-**

(a) **Notes the comprehensive assessment undertaken by the Bus Network review to identify changes that could deliver improved bus services for the communities and businesses of the Scottish Borders;**

(b) **Approves the proposed service changes set out in Section 10 of this report;**

(c) **Approves the proposed procurement approach set out in Section 11 of this report. Acknowledging the benefits that longer term contracts will bring for competition and enabling operators to invest in fleet and services, while committing Scottish Borders Council to longer term financial commitments;**

(d) **Approves the need for a report to be brought back to Scottish Borders Council to outline options if the tender returns exceed the existing budget provision;**

3   BACKGROUND

3.1   The local bus network plays a critical role, particularly in rural areas, in enabling people to access employment, healthcare, and daily essentials whilst supporting the local economy and helping to reduce social isolation.

3.2   Many of the outcomes outlined in the Council Plan are dependent on the provision of a financially sustainable and interconnected transport Network.

3.3   The current network has remained largely unchanged for many years and has struggled to keep pace with changes in working patterns, strategic developments, housing, tourism, and the arrival of the Borders railway in 2015. All of which have had a significant impact on the existing bus network, travel patterns and transport needs.

3.4   Given the length of time since the last review of the transport network, the impact of the COVID pandemic and the ongoing cost of living crisis, Scottish Borders Council commissioned a full bus network review.

3.5   The review was taken forward with the support of the City Deal Workforce Mobility Project and designed to assess the efficiency and effectiveness of the existing commercial and supported bus services and make recommendations that could improve the network.

3.6   The review has identified three primary outcome objectives:

- **Reduce inequalities**: provide fair and equitable access to key services, easy to use for all and affordable for all.
- **Take climate action**: contribute to net zero targets by reducing net carbon emissions from transport, promoting greener and cleaner choices.
- **Maximise the efficiency and effectiveness of the publicly subsidised bus services** in the Scottish Borders ensuring integration, removing overlap with other bus services.

3.7   There are three further supporting outcome objectives:

- **Help deliver inclusive economic growth and community wealth building** by linking people to jobs and customers to businesses.
- **Improve health and wellbeing** by connecting people to communities and enabling healthy transport choices.
- **Enhancing links between modes of transport**, supporting the National Transport Strategy 2 transport hierarchy.

3.8   This report summarises the key findings of the Bus Network Review focusing on the recommended changes to the Council funded/supported bus services.

3.9   For further details please see **Appendix 1** - Scottish Borders Bus Network Review – Summary of Recommendations**.**

4   CURRENT NETWORK

4.1   At the time of undertaking the review the bus network in the Scottish Borders was made up of 61 services operated by five main operators:

- Borders Buses;
- Peter Hogg of Jedburgh;
- Scottish Borders Council;
- Telford Coaches; and
- Travelsure.

Borders Buses are by far the largest of the operators, carrying more than 80% of all journeys made.

4.2   Approximately 3 million miles are operated annually by scheduled public buses across the region with over 760,000 journeys made.

4.3   The Scottish Household Survey noted that passenger satisfaction with bus services in the Borders was only 50% in 2019, in comparison with a Scottish average of 68%, and one of the lowest in the country.

4.4   An assessment of the Strengths, Weaknesses, Opportunities and Threats (SWOT) for the current network has been undertaken as part of the review and is included in **Appendix 2**.

5   CHALLENGES

5.1   The **biggest challenge of operating within a rural area is that most services do not stack up commercially and therefore require Council funding**. There is simply not the volume of people to sustain a commercially viable bus network as would be seen in urban areas.

5.2   The **transport infrastructure out with the main towns and villages is poor**. For example, lack of real time information, sheltered bus stops not provided or in poor condition and in many cases no visual indication of a bus stop being in place.

5.3   There are **limited hours of operation** on most services and very few evening services operate across the region, see **Appendix 3**.

5.4   There is a **lack of integration between services,** such as tourism, **and** between **modes of transport** for example:

- o   Bus to bus (ticketing between operators)
- o   Bus to rail (lack of integrated ticketing)
- o   Bus and rail connection times

5.5   There is a **lack of information for the public** to enable them to plan their travel and understand the fare structures.

5.6   The **COVID 19 pandemic had a significant impact on bus patronage** both locally and nationally. Whilst some services have almost recovered to pre covid level others have up to 30% fewer passengers compared to 2019 demonstrating that some services will not recover. This increases the likelihood that the Council will need to provide further financial support to maintain services in the future.

5.7   The **Scottish Government withdrew the additional COVID financial support** (i.e. NSG+) in March 2023 and it has not been replaced. The

support had been in place since June 2020, enabling bus operators to reintroduce networks at pre-pandemic levels whilst taking account of the loss of patronage.

5.8 All operators have seen **operating costs increase significantly** over the last 2 years linked to high levels of inflation. To put this context the recent, retender of the 101/102 saw an annual increase from £272k to £509k (86% increase) in operating costs for the same level of service. As a result the Council along with other Local Authority partners had to increase their contribution to maintain the service. This is indicative of the challenges ahead for maintaining the current transport network.

5.9 **Bus services are not a statutory provision** for local authorities and as such the budget for transport has decreased significantly over the last 10 years. The Council's only statutory provision for transport is Home to School transport.

5.10 **Local Authorities across Scotland have had to deliver savings across a wide range of services**. Scottish Borders Council continues to subsidise over 80% of the local bus network with around £1.389m being spent on bus services in 2023.

5.11 Historically **savings have been delivered through the withdrawal of services,** which risks isolating communities. To avoid the continued reduction in service provision for passengers, a new approach is required which aims to try to increase patronage and grow the income rather reduce the amount of money spent on subsidy and reduce service provision. This particularly important if the Council wishes to deliver on its **commitment to reduce carbon emissions**.

5.12 The **availability of data to inform decision making has been limited** which makes identifying opportunities to increase patronage and grow income extremely challenging.

5.13 Delivering a bus network that meets the needs of service users whilst **operating with a reducing budget will continue to be a challenge** particularly as operating costs and customer expectations increase.

5.14 Ongoing **driver shortages** are having a significant impact on the ability to provide transport services. In almost all cases operators are having to increase their driver pay rates and or bring in staff from outwith the Borders, again at additional cost. This cost is being passed onto the Council through increased contract costs.

5.15 The ongoing financial challenges that operators are facing has resulted in one **operator withdrawing from the Borders and ceasing operation**. This has the knock-on impact of **increasing contract costs as well as reducing competition**.

5.16 **Operators are not reimbursed the full fare for** under 22 and over 60 **concessionary travel**. To put this into context operators receive 55% of the adult fare for an over 60 traveller.

5.17 **Duplication of routes put commercial services at risk** and increases the likelihood of the Council having to step in when the commercial services are no longer sustainable.

5.18 There is a **need to work with partners** in tourism, NHS Borders, Borders College, local employers and Community Transport **to pool resources. This will support the delivery of an integrated and efficient**

transport network whilst reducing the cost of operation, meeting the needs of service users and ensuring best value. Partners must be willing and able to support this to make it happen.

5.19 **Access to the bus network is a challenge** particularly in the Borders as many people reside some distance from a bus stop or one that is easily accessible i.e. has a path.

5.20 Large parts of the Scottish Borders are subject to **workforce mobility deprivation** (i.e. transport related barriers to employment) as can be seen from the index in **Appendix 4**.

5.21 The **car remains the main mode of transport** in the Borders, with only 4% of journeys undertaken by bus in the region pre-Covid. This is significantly lower than the 7% for all journeys in Scotland, but is broadly comparable with other rural areas of the country.

5.22 There are **challenges in coordinating bus services locally, regionally and nationally**, due to the de-regulation of bus services that came into effect in 1986. Local Authorities have limited control or ability to influence privately operated bus services to ensure integration, coordination, and customer service.

5.23 There is a **general lack of understanding around the complex/integrated nature of the local bus network**, how it is funded (including concessionary reimbursement rates), and the role of national government, local authorities, and commercial operators. This is combined with an **increasing customer expectation** that services should be improved and or extended at a time when the Council can least afford it.

6 DATA LED APPROACH TO IMPROVING SERVICES

6.1 In order to deliver a more sustainable bus network this review has taken a new approach using multiple threads of data to establish opportunities over and above existing users, these have included:

- Ticket machine data from operators
- Employee postcode data
- National mobile phone data (see **Appendix 5**)
- Scottish Index of Multiple Deprivation
- Shift patterns for key employers
- Journey to work analysis
- National transport statistic

Data on approximately 30K travel patterns were collected and used for the Review.

6.2 The analysis of this data has provided an indication of the actual scale of movements within the region and identified the potential to grow bus patronage, if the right service timings, frequency and supporting infrastructure can be delivered.

6.3 The comprehensive data analysis within the Bus Network Review reinforces the need for Scottish Borders Council to continually collate data, analyse the network's performance and identify areas to increase patronage.

6.4 It is important to note that at the Passenger Transport Team does not currently have the resource or budget to collate and analyse bus network performance data to the extent recommended by the Bus Network Review. See 'Additional Recommendations' outlined in **Section 13** and **Appendix 9**.

7 COMMUNITY ENGAGEMENT

7.1 Engagement for the Bus Network Review included a survey which was issued to members of the public. The survey was issued online via the Scottish Borders Council's website and was promoted by Scottish Borders Council social media channels, and by a wide variety of partner organisations.

7.2 The survey gathered insights, views and feedback on travel habits, bus use and perceived barriers to bus use in the Scottish Borders. A further 27 responses were received on behalf of businesses/organisations.

7.3 The surveys were complemented with community workshops, via Microsoft Teams meetings, with Area Forums, bus operators, Scotrail, businesses, NHS, SOSE, Borders College and the Chamber of Commerce.

7.4 In total 1,103 surveys responses received were from individuals, see **Appendix 6** for further detail.

7.5 Key strengths, weaknesses, opportunities, and challenges which were expressed by the stakeholders are shown in **Appendix 7**.

7.6 Feedback from the community engagement exercise has been used to inform the bus network review and its recommendations.

8 PINGO PILOT

8.1 In May 2022, the Council funded a pilot demand responsive bus service in the Berwickshire area. The aim of which was to help understand how 'demand responsive' bus services could help to overcome remote-rural transport poverty.

8.2 Over a thousand passengers use the service on a monthly basis, with over 40% utilising the Under 22 free travel scheme.

8.3 The PINGO pilot has worked relatively well, with various improvements made over the last year. However, the following considerations need to be taken into account when making a decision about its future:
- A high proportion of journeys were single occupancy journeys, which is not sustainable.
- Using an app to book transport restricts certain demographics from using the service e.g., older people who are less confident using technology.
- Integration between the PINGO service and the fixed route service needs to be improved.
- The current PINGO service could respond to travel requests more effectively if there were more vehicles to cover the large geographical area, or the service are only targeted at specific areas that don't have access to the fixed route bus network.
- A larger 'demand responsive' bus service could be more cost effective with smaller vehicles and the contracts are structured to include school transport services.

8.4 An economic impact assessment was undertaken based on the first eleven months of PINGO operation and it was estimated that the benefit cost ratio for the pilot service is 2.2:1, or £2.20 of benefit for every £1 of investment.

8.5 Funding for the PINGO Pilot is scheduled to end on 31st March 2024 and a decision is therefore required regarding its future.

8.6 Three options are being considered for the service beyond 31 March 2024:

1. **End the service on 31 March 2024** and undertake early communications with Berwickshire residents in 2024 to allow sufficient time for passengers to organise alternative transport solutions;

2. Scottish Borders Council **extend the pilot in its current form at a cost of £360k per annum** and enable the concept to be continually improved for rural areas of Berwickshire; or

3. Scottish Borders Council provide a **reduced funding commitment to allow the continued operation** of a service that utilises smaller vehicles and a combination of school transport contracts, targeted operating zones and alternative operating hours to deliver a service in Berwickshire for a budget of £250k per annum.

8.7 Members are currently considering the future of the PINGO service as part of the Council's 2024/25 budget setting process.

8.8 **Scottish Borders Council have successfully bid for Shared Prosperity Funding (SPF) to trial taxi bus services in 3 localities across the region for a period of 12 months.** This will enable the findings from PINGO to be developed further whilst also supporting more rural communities who don't currently have transport links. **The taxi bus will be rolled out in Selkirk, Jedburgh and Newcastleton localities.**

8.9 Scottish Borders Council has a limited budget to support the delivery of passenger transport services across the region. Other sources of funding are critical in supporting the long-term provision of demand responsive transport services. Council Officers will work with local communities to explore, identify, and deliver opportunities to supplement the local transport network using additional sources of funding. It is important to note that communities have access to funding streams which could support the delivery of transport services which will enhance links into the wider bus network, this includes windfarm funding.

9 ECONOMIC IMPACT ASSESSMENT

9.1 As part of the review, estimates have been made of the economic, social and environmental benefits of the bus network.

9.2 The net benefit of the network is estimated to be £11.0M per annum, which can be broken down as follows:
- Access to employment £8.5M per annum
- Access to retail and leisure opportunities: £1.1M per annum
- Access to healthcare appointments: £0.62M per annum
- Improved access to training and education: £0.49M per annum
- Reduced car use: £0.31M.

9.3 Overall, the net benefit per journey made by bus in the Scottish Borders is estimated to be around £18.

9.4 The benefit to cost ratio for the investment that Scottish Borders Council provides to the regions network ranges from 3.8:1 (£3.80 for every £1 invested) for subsidised routes*, to 8.8:1 (£8.80 for every £1 invested) for all services including those that operate commercially (i.e., are not subsidised).

*this based solely on Minimum Cost Contracts i.e., subsidised services where the Council retains the income.

9.5 It is therefore concluded that the bus network in the Borders provides significant economic and social value to the region, and that SBC's support for non-commercial services provides a good rate of return.

10 PROPOSED SERVICE CHANGES

10.1 This section summarises the proposed service changes, by locality, as identified by the Bus Network Review. These are in line with those outlined in a series of Councillor briefings, which took place between September and October 2023.

10.2 In order to raise awareness and increase patronage the Bus Network Review recommends a marketing budget of £70k-£120k per annum which would see a return on investment of circa £115k-£175k from a 10-15% increase in passenger growth.

10.3 **Berwickshire Area**

Main towns: Duns, Coldstream & Eyemouth

- **Service 60 –** Forms part of new 15-minute frequency between Galashiels and BGH. Divert via Eyemouth and Foulden on alternating hours increasing the frequency of the service between Duns and Berwick to Hourly.

- **Service 67 –** Forms part of new 15 minute frequency between Galashiels and BGH. Explore opportunity for operator to operate commercially between Kelso and Galashiels.

- **Service 85 –** Consider a revised Kelso town services, which could extend to Leitholm and Greenlaw. Potential also to introduce a taxi bus service.

- **PINGO –** The **PINGO** service commenced in May 2022 with further funding committed through to March 2024. The service and app have undergone continual development over the past 18 months in partnership with the operator and the app developer and based on feedback from service users.

  Enhancements to the PINGO service have been introduced to improve the integration between PINGO and the fixed route bus network. The operating hours were also amended to cater for later evening journeys.

  The service could be further improved through varying the size of vehicle that operates and combining DRT with school transport contracts to improve the efficiency, providing further value for money and improving the long-term sustainability of the service.

  Further consideration is required with regards to the format of the service beyond the 31st of March 2024 with 3 options available, see section 8.

10.4 **Cheviot Area**

Main towns: Jedburgh, Kelso & St Boswells

- **Service 20 -** Retain and incorporate Service 21, Operator to focus on links between Hawick, Jedburgh and Howdenburn providing connections to the Jed Campus

- **Service 21 -** Incorporate into service 20.

- **Service 51 –** Service to form part of a 15-minute frequency between Galashiels and BGH also serving Edinburgh Royal Infirmary.

- **Service 68 -** Service to form part of a 15-minute frequency between Galashiels and BGH, Explore commercial opportunities with operator.

- **Services 80/81/81A –** Extend routes to include areas served by 983 service (Springwood & Sprouston) and extend operations until 18:30

- **Service 85 -** Replaced by PINGO option for northern part of route, and/or by new "lollipop" DRT/Taxibus service focussed on Kelso, operating 2 days/week.

- **Service 86 –** Replace, acts as a placing journey for Kelso services.

- **Service 131 –** Retain

- **Service 902 -** Replaced by PINGO option for northern part of route, and/or by new "lollipop" DRT/Taxibus service focussed on Kelso, operating 2 days/week.

- **Service 910 -** Replaced by extended 80, 81 or 81A service, and/or revised Town Service.

- **New Service -** New DRT service between Hawick, Jedburgh, Selkirk and St Boswells, all villages within area bounded by A68, A698, A699 and A7 and Borders General Hospital.

- **New Service -** DRT many-to-few (lollipop) Taxi bus serving Jedburgh.

10.5 **Eildon Area**

Main towns: Galashiels, Melrose & Selkirk

- **Core Network Services 51, 60, 67 and 68 –** Retain and create a 15-minute frequency into the BGH serving Langlee and Tweedbank and improving connections to Lauder, Oxton and the Royal Infirmary

- **Service 54 –** Incorporate Netherdale into the service and consider an hourly evening service through to 22:30

- **Service 70 – Discuss with operator potential to** Incorporate Melrose Gait and replace service 74.

- **Service 73 –** Discuss with operator utilising the 73 as a Selkirk town service connecting with the X95.

- **Service 74 –** Replace with service 70 for Melrose Gait, Netherdale to be included in new 54 service.

- **Service 86 –** Replace, acts a placing journey for Kelso services.

- **Service 911 -** Replace with new "lollipop" DRT / Taxi bus centred on Selkirk .

- **Service 912 -** Ettrick - Selkirk - Galashiels DRT (SBC) - Replace with new "lollipop" DRT / Taxi bus centred on Selkirk.

- **Service 964 –** Retain

- **Service X62 –** Commercial Service

- **Service X95 –** Commercial Service

10.6 Teviot and Liddesdale Area

Main towns: Hawick & Newcastleton

- **Service 20 –** Retain and incorporate Service 21, Operator to focus on links between Hawick, Jedburgh and Howdenburn

- **Hawick Town Services –** Replace existing 46, 47, 48 & 49 services with a revision of H1 and H2 routes to serve key points on 46 - 49 routes. Some stops already served by existing H1/H2, 20 and other services.

- **Service 127/127a -** No changes proposed.

- **Service 128 -** Replaced by new "lollipop" DRT/Taxibus service focussed on Hawick.

- **Service 910 –** Replace 910 service with new "lollipop" DRT/Taxibus service focussed on Hawick, operating 5 days/week.

- **Service 911 -** New "lollipop" DRT/Taxibus service focussed on Selkirk, operating 3 days/week.

- **Service 912** - New "lollipop" DRT/Taxibus service focussed on Selkirk, operating 3 days/week.

- **Hawick Town Service -** Extend route to replace 46 - 49 and extend services until beyond 18:30.

- **Hawick Town Service Sundays –** No Changes Proposed

- **X95 –** Commercial Service, No Change Proposed although consideration to be given to improved connections to the BGH.

- **New DRT Service -** DRT many-to-many serving Hawick / Jedburgh / Selkirk / St Boswells, College campus, Bowhill House, Dryburgh Abbey and Borders General Hospital

10.7 Tweeddale Area

Main towns: Peebles

- **Service 90a/90b -** Retain, extending services into the early evening, consider a 30 minute frequency beyond 18:30.

- **Service 91 –** Improving the connections between the 91 and Stuarts 191 service and Borders Buses X62. Consider working with Strathclyde Passenger Transport (SPT) and Stuarts coaches to extend the 191 through to Peebles.

- **Service 93 –** Consider a loop service serving Peebles, Biggar and West Linton.

- **Service 101 –** No changes proposed.

- **Service X62 –** Commercial Service, No changes proposed.

10.8 **<u>Early implementation of recommendations</u>**

It should be noted that since the council set out on the network review, a number of contracts have been handed back in both the Berwickshire and Teviot and Liddesdale localities. This is because operators have been unable to fulfil existing contracts. As a result, the Passenger Transport Team have been forced to implement some of the recommendations of the Bus Network Review ahead of Council approval in order to mitigate the impact and continue the provision of services for communities where possible. Members were consulted in advance of the changes being implemented. The services impacted included:

- Service 32
- Service 34
- Service 51
- Service 236
- Service 260
- Hawick town service on a Sunday.

11 CURRENT CONTRACT POSITION

11.1 The subsidised bus network is delivered via 61 separate contracts, which can be categorised as follows:

Category	Services	Contract Length	Net Cost Budget	Contract Renewal	Contractor
Core Network	51, 60, 67 & 68	5 + 1 + 1	~£550k	January 2025	Borders Buses
Non-Core Network	All other Services	3 + 1 + 1	~£750k	Contract expired – requires extention	Borders Buses, Telford & Hoggs

11.2 The 'Core Network' was awarded in January 2020 through a Service Level Agreement (SLA) and is delivered in partnership with Borders Buses. The Bus Network Review is proposing only minor changes to the timings of the Core Network to support passenger growth to the Border General Hospital (BGH). As the Contract has up to 4 years left to run these changes will be delivered through discussion with Borders Buses.

11.3 The Bus Network Review proposes numerous changes to the 'Non-Core Network', which are highlighted in **Section 10**. These changes are significant and cannot be introduced until such time the Contracts are re-tendered, which is anticipated to take place during 2024/25. This will require the current 'Non-Core Network' contracts to be extended in their current form whilst the new procurement process is undertaken.

12 PROCUREMENT APPROACH

12.1 In order to ensure best value and implement the recommendations of the review it proposed that changes are made to the procurement approach, for example:

- Increase the contract length of 'Non-Core Services' from 3+1+1 years to 5+1+1+1 years.
- Develop new Conditions of Contract.
- Develop new Service Specifications.
- Develop new Key Performance Indicators

See **Appendix 8** for further detail.

12.2 The TAS Partnership has been commissioned by the Workforce Mobility project to support the Council with the procurement process. See **Appendix 8** for further detail.

12.3 **IMPORTANT -** If the tender returns from bidders are in excess of the available budget a further report will be brought back to Committee to agree which services can be awarded.

13 ADDITIONAL RECOMMENDATIONS

13.1 This report has focused on the recommended changes to the Council funded/supported bus services, see **Section 10**.

13.2 The Bus Network Review has also made a number of additional recommendations (**Appendix 9**), which are beyond the scope of the Council funded/supported network and thus no provisions for delivering these recommendations are contained within existing budgets.

13.3 Due to the current financial constraints these additional recommendations are not deliverable and will not be considered further by Officers unless requested by Council.

14 IMPLICATIONS

14.1 **Financial**

(a) The bus subsidies base budget contains the following provisions, set out in Table 2 below.

TABLE 2 – Income & Expenditure (2024/25)

Expenditure Headings	Cost / Income
Minimum Cost Contracts	£840,000
Minimum Subsidy Contracts	£1,077,000
Transport Payments to LA's	£54,000
TOTAL EXPENDITURE	**£1,972,000**
Income Headings	
Transport Payments from LA's	-£105,000
Developer Contributions	-£40,000
Concessions	-£122,000

Fares	-£122,000
TOTAL INCOME	**-£389,000**
Financial Plan Savings for 2024/25	**-£193,000**
NET BUDGET	**£1,389,000**

(b) In order to deliver the new Non-Core Network in 2024/25 it is necessary extend the current contracts to enable the procurement process to be undertaken. It should be noted that it would be more expensive to re-procure these services than extending the current contracts. However, there is a risk that the incumbent operators may not agree to the extension of the current contracts.

(c) The cost of the new Non-Core Services (fixed route or flexible) will only be known once the procurement process has been undertaken in 2024/25. There is a risk that this exceeds the current budget, particularly given recent experience of school bus contract and the 101/102 service. If this is the case a report will be brought back to Council for consideration before award.

(d) The Core Network remains in Contract until 2027 and therefore increases are not expected until they are retendered.

(e) There is currently no marketing budget in place to promote the services in the Scottish Borders. The estimate from the Bus Network Review is a marketing budget of £70k-£120k per annum would see a return on investment of circa £115k-£175k from a 10-15% increase in passenger growth. This obligation could be included in the new service contracts as part of the procurement process, so that a competitive price can be obtained for the activity", but it will ultimately be a pass-through cost back to the Council.

(f) The proposed approach to procuring the services will commit the Council to longer term contracts, that will deliver multiple benefits, but restrict the ability of the Passenger Transport team to absorb future budget cuts.

(g) Funding for the PINGO Pilot ends in March 2024. This is to be considered as part of the 2024/25 budget setting process and therefore the financial impacts are not considered as part of this report. See **Section 8** for further details.

14.2 **Risk and Mitigations**

An assessment of the risks and mitigations of implementing and not implementing the recommendations of this report has been undertaken. Please see **Appendix 10** for full details.

14.3 **Integrated Impact Assessment**

A Stage 1 - Scoping and Assessing for Relevance (**Appendix 11**) and Stage 2 – Evidence Gathering and Consultation Integrated Impact Assessment (**Appendix 12**) have been undertaken.

The Stage 1 - Integrated Impact Assessment determined that the Bus Network Review and its proposals:

- Will impact other Council policies as it is an enabler for the Borders economy, it provides access for communities to employment, education, welfare support and is a lifeline for young people accessing opportunities.
- Will impact the following groups of people:
  - Age – Positive & Negative Impact
  - Disability – Positive & Negative Impact
- Have the potential to impact the following socio-economic groups:
  - Low and/or No Wealth – Positive & Negative Impact
  - Material Deprivation- Positive & Negative Impact
  - Area Deprivation – Positive & Negative Impact
  - Socio-economic background – Positive & Negative Impact
  - Carers - Positive & Negative Impact
- Do not impact on the Armed Forces Covenant Duty

The Stage 2 – (Evidence Gathering and Consultation) Integrated Impact Assessment established a number of strengths, weaknesses, opportunities and challenges through the stakeholder engagement process, See **Appendix 7.** In addition it confirmed that the Stage 1 - initial assessment remained valid and no further impacts have become evident and therefore the proposal should proceed on the basis that there is no disproportionate impact on equality or Fairer Scotland characteristics.

However, it is important to recognise that there will be some instances where access to the transport network will change. This may result in longer journey times and or multiple connections. The recommendations of the bus network review are to be delivered within the existing passenger transport budget and it is not possible to cater to everyone's needs. Therefore, there may be some residents, communities and groups who feel negatively impacted by some of the proposals. An analysis of the data has been carried out to ensure that any impacts will be minimised.

14.4 **Sustainable Development Goals**
The impact of the proposals on the UN Sustainable Development Goals has been undertaken. See **Appendix 13** which outlines the specific goals that are affected and summarises the impacts.

14.5 **Climate Change**

The BNR identifies a number of recommendations that will help deliver bus services that will better match demand across the region to support communities accessing services, employment, education, and leisure.

Public transportation is a crucial part of the solution to climate change. It can help reduce emissions of greenhouse gases and other pollutants while providing people with an efficient and affordable way to get around.

Studies on public transport have shown that switching from car to public transportation can reduce a person's carbon footprint by up to 1.5 metric tons per year.

In addition to reducing emissions, public transportation can also help reduce traffic congestion and save people money. Mass transit systems such as buses can move many people quickly and efficiently reducing the number of single car journeys which ultimately lead to increased congestion.

Carbon emissions from the operation of scheduled passenger bus services in the region are estimated to be 3.3 million tons per annum. See **Appendix 14** for further information relating to carbon emissions.

It is important to note that for bus travel to be more carbon efficient than the private car it requires on average 12 people to use the bus rather than the car. This is a challenge in the Borders as many bus journeys will have less than 12 passengers per journey. Hence why enhancing the network is key to support residents in choosing the bus over the car.

14.6 **Rural Proofing**

A rural proofing assessment has been undertaken, for further details please see **Appendix 15**.

14.7 **Data Protection Impact Statement**

It is anticipated that the proposals in this report will have a minimal impact on data subjects and the Data Protection Officer has confirmed that a Data Protection Impact Assessment is not required.

14.8 **Changes to Scheme of Administration or Scheme of Delegation**

No changes are required.

15   CONSULTATION

15.1 The Director (Finance & Procurement), the Director (Corporate Governance), the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications have been consulted and comments have been incorporated into the final report.

15.2 The Chief Executive, the Director (Public Health), the Director (Social Work & Practice), Director (Education & Lifelong Learning), Director (Resilient Communities), Chief Officer (IJB/Health & Social Care) and Procurement have been consulted and comments have been incorporated into the final report.

Approved by

Name	Title
John Curry	**Director – Infrastructure & Environment**

Author(s)

Name	Designation and Contact Number
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Background Papers: [insert list of background papers used in compiling report]
Previous Minute Reference: [insert last Minute reference (if any)]

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Ross Sharp-Dent can also give information on other language translations as well as providing additional copies.

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