

Agenda Item	9
Report No	RDB/11/22

HIGHLAND COUNCIL

Committee: Redesign Board

Date: 28 November 2022

Report Title: Bus Company Project – Update

Report By: Executive Chief Officer Economy, Infrastructure & Environment

1.	Purpose/Executive Summary
1.1	This report provides Members with an update on the progress of the two Bus Company Projects following approval by the Redesign Board on the 18 th February 2022. The Bus Company Projects are part of the Council's Business Change programme.
1.2	The purpose of the two projects are <ul style="list-style-type: none"> i) to develop an In-house Bus Company to deliver passenger and school transport services at a lower cost than that offered by commercial contractors and; ii) to develop the recommendations made by the TAS Group in a review of school transport arrangements, including the procurement of a specialist transport management software.
1.3	The In-house Bus Company project will mitigate some of the significant cost increases from the recent re-tendering of passenger and School Transport contracts. An in-house service model will also provide the potential for an improved and more inclusive service to be provided to support other Council objectives.
1.4	Implementation of a transport management solution will support the development of the In-house Bus Operations. The scheduling and costing functions of the software will streamline the expansion of the In-House Bus Operations Project and will ensure that every possible efficiency saving is made.
1.5	A Project team has been established with three Project Officers and a Bus Operations Supervisor appointed. Interviews for Drivers are ongoing. Committee approval has been granted for lease of ground for an operational centre on Cromwell Road, Inverness. The pilot bus services have been registered and approved by the Traffic Commissioner.

	A further Project Officer is in post to develop the recommendations made in the TAS review. A Request for Information has been published and procurement documentation is being prepared for the transport management solution.
2.	Recommendations
2.1	Members are asked to note the progress of the Bus Company Project.
3.	Implications
3.1	<p>Resource</p> <p>The Project will require initial outlay for its set up however, the In-house Bus Operations will deliver school and passenger transport services at a lower cost than commercial contractors and will therefore contribute to cost avoidance and potential savings of around £1.4M annually for the initial batch of contracts taken in-house.</p> <p>There will be a one-off cost for the procurement of a transport management solution.</p> <p>Dedicated staffing resources have been appointed for the development of the two projects.</p>
3.2	<p>Legal</p> <p>Provision of home to school transport meets a requirement of the Education (Scotland) Act 1980. The Project also fulfils the Council's duty under the Transport Act 1985 "to secure the provision of such public passenger transport services as the council consider it appropriate to secure to meet any public transport requirements within their area which would not in their view be met apart from any action taken by them for that purpose".</p>
3.3	<p>Community (Equality, Poverty and Rural)</p> <p>An in-house service model would provide the potential for a more inclusive service. The Project will make use of the concessionary schemes offered by the Scottish Government making free public transport available to under 22's and over 60's.</p> <p>Since school transport is predominantly provided in smaller communities and rural areas, the development of the TAS recommendations will support provision of an equitable service of appropriate standard.</p>
3.4	<p>Climate Change / Carbon Clever</p> <p>Provision of public transport services enables alternatives to car use, thus contributing to carbon reduction.</p>
3.5	<p>Risk</p> <p>If these mitigation projects do not progress, the Council may be unable to address increasing contract costs. There is, therefore, a risk of the Council being unable to fulfil the statutory duty to provide school transport.</p>
3.6	<p>Gaelic</p> <p>There are no known Gaelic implications identified.</p>
4.	Project Initiation

4.1	A Project Plan detailing tasks, timescales and resources has been drafted for both projects. The Project Plans will be updated and maintained by the respective Project Managers as a living document in response to project objectives.
4.2	The delivery of project outcomes will be monitored but there may be slippages or delays due to the Council's ongoing budget constraints and recruitment scrutiny.
4.3	The Bus Transformation Project Board has been established and, at the time of writing this paper, has the next scheduled meeting for the 17 th November 2022. It is recognised that the composition of the Project Board will change through time and will be dependent on the project stage being delivered.
5.	Progress Update
5.1	Operational Centre Approval has been granted from Committee members to lease ground on Cromwell Road, Inverness. This ground will be the operational centre for the in-house bus operations.
5.2	Recruitment Three Project Officers have now been appointed with the third Project Officer starting on the 1 st of December 2022. A further Project Officer is in post to develop the recommendations made in the TAS review.
5.2.1	A Bus Operations Supervisor has been appointed and is due to start w/c 21 st of November 2022.
5.2.2	Recruitment is underway for the eleven PCV Drivers needed to operate the pilot routes. Six drivers have been recruited following the vacancies being advertised, with further interviews scheduled for w/c 28 th November 2022.
5.3	Buses Seven single decker buses are now in place at a temporary location in Inverness. Two of six double decker buses have arrived in Inverness and are undergoing initial inspections.
5.4	TUPE TUPE discussions have commenced with Stagecoach with further discussions due to take place.
5.5	Vehicle Livery Discussions are ongoing for vehicle livery design.
5.6	Registration Bus services have been registered and approved by the Office of the Traffic Commissioner.
5.7	Operating Procedures All the necessary documentation surrounding the operating procedures of the In-house Bus Operations Project have been finalised.
5.8	Transport Management Solution

	<p>A Request for Information has been published for a specialist transport management solution.</p> <p>TAS have been commissioned to provide technical expertise on the procurement of the solution and are working with the Project Officer and procurement team to produce the necessary documentation.</p>
6.	Next Steps
6.1	<ul style="list-style-type: none"> • Lease Agreement in place for the Company's operational centre at Cromwell Place, Inverness. • In house bus operations will commence on January 4th, 2023. • Publish Invitation to Tender for Transport Management Solution.
	<p>Designation: Executive Chief Officer, Infrastructure, Environment and Economy</p> <p>Date: 17 November 2022</p> <p>Authors: Lucy Burnside – Project Officer; Ali MacDonald – Project Manager.</p> <p>Background Papers:</p>

Appendix 1 – Risk Register

Risk	Impact (High/Medium/Low)	Mitigation & Management Action
Revenue allocation and impact on the winter maintenance delivery and cyclical maintenance	High	Review revenue allocations and identify efficiencies in operations. Short term and seasonal workers. Communication strategy. Develop and implement a risk-based approach.
Staffing levels, including impact of HGV driver availability and impact of Covid	High	Determine adequate resourcing levels – and consider recruitment including seasonal workers.
Compliance with driving legislation and impact on resourcing levels and service	High	Establish legislative requirements and develop clear guidance and monitoring, review resourcing requirements.
Capital allocation and impact on road condition and road structures	High	Review capital allocation on an ongoing basis, as agreed at Council in December 2021 prioritisation of funding based on asset management principals.
Fleet availability and reliability	High	Improve communication between Roads and Fleet. Consider levels of service and associated revenue and capital allocations.
Increase in customer contacts, complaints and claims	Medium	Provide a better and more durable road condition. Develop the communication strategy and customer contact system.
Decrease in staff wellbeing and trade union relations	Medium	Develop engagement and communication. Consider workload allocations, overtime provision and standby. Publicise support available to staff.
Staff recruitment and retention	Medium	Work with HR to publicise and market recruitment opportunities. Provide training and clear career pathway opportunities. Utilisation of graduate and modern apprentices.

Appendix 2 – Working Group Membership

Purpose: provide direct input to the project work areas, including researching, developing, and accessing options, and shaping the approach being taken to deliver the stated objectives of the overall project

Membership:

Role	
Sponsor	ECO, Infrastructure & Environment
Lead	Head of Service, Roads & Infrastructure
Project Manager	Project Manager: Transformation
Project Assurance	Team Manager: Transformation
Redesign Board Representative	Councillor
Redesign Board Representative	Councillor
Redesign Board Representative	Councillor
Redesign Board Representative	Trade Union
Subject Matter Expert	Road Operations Manager Representative
Subject Matter Expert	Roads Strategy Representative
Subject Matter Expert	Project Design Unit Representative
Subject Matter Expert	Finance Representative
Subject Matter Expert	HR Representative