

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF RESOURCES - READING TRANSPORT LTD

TO:	POLICY COMMITTEE		
DATE:	16 JANUARY 2017	AGENDA ITEM:	13
TITLE:	READING TRANSPORT LTD - SHAREHOLDER'S UPDATE		
LEAD COUNCILLOR SERVICE:	COUNCILLOR PAGE EXTERNAL	PORTFOLIO:	PLANNING & TRANSPORT BOROUGHWIDE
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1. EXECUTIVE SUMMARY

- 1.1 This report provides an operational update for Reading Borough Council on the activities of Reading Transport Ltd during 2015/16. A further report has been presented in closed session which included additional detail on the trading position and financial performance for the year.
- 1.2 The report is submitted to the Council as shareholder of the company.

2. RECOMMENDATIONS

- 2.1 That the report from Reading Transport Ltd is noted.

3. POLICY CONTEXT

- 3.1 Reading Transport Ltd is wholly owned by the Council and this report is submitted to the Council in its role as shareholder as a constitutional requirement of the company.

4. CONTRIBUTION TO STRATEGIC AIMS

- 4.1 Developing and supporting Reading's public transport agenda through the provision of high quality and environmentally sustainable public transport services.

5. OPERATIONAL UPDATE

- 5.1 The year to date for Reading Transport Limited has seen the continuation of the strong network growth and expansion reported previously.
- 5.2 September 2015 saw only minor changes to the core network, with some frequency adjustments to bring supply into line with demand on particular routes (including Clarets & Nineteens and Scarlet 9), following the

introduction of the Lion 4/X4 service to Bracknell. The current year has demonstrated good performance, with underlying trading conditions relatively stable and significant increases in patronage across most parts of the core commercial network. Some investments were always regarded as longer term projects and it remains the case that not all of the earlier initiatives are achieving the level of patronage that was anticipated after nearly two years of enhanced operations. The coming year will also see some additional one-off costs and current year surpluses are intended to provide a margin to address these known issues. There has been exceptionally strong growth in passenger numbers overall in 2015/16 compared to 2014/15 (up 12.3% year on year inclusive of additional routes). Revenues have also increased (11.1% year on year) again achieved without the benefit of the one-off receipts from activities such as the Commonwealth Games that helped improve income in previous years.

- 5.3 Services were further adjusted from September 2016, enhancing the Woodley routes with a new service pattern and vehicles, modifying the Scarlet 9 to serve Whitley and a re-launch of the Tilehurst Royal Blue 33 is planned for later in the autumn, with new buses. This will see the first operation of gas powered double-deckers in the UK.
- 5.4 Following a tendering exercise run by West Berkshire Council the Company has been successful in securing the contract to run local buses in Newbury, Thatcham and the Kennet Valley. This provides additional work for the Newbury Depot (requiring seven peak vehicles including the two commercial routes parallel to and consolidating the Newbury-Thatcham JetBlack 1 corridor). Together with the recent renewal of the Vodafone staff shuttle contract on a five-year term this fully justifies the retention of this facility to generate additional income and support core operations.
- 5.5 Fares were reviewed for the first time in two years in response to increased operating costs and new cash prices were introduced from 5th September 2016. Simplified structures were introduced, removing returns in the urban area, eliminating the route specific rural weekly products and improving the offer for young people. Advances in ticketing technology continue with smartphone, app-based mobile tickets and contactless bank card payments expected to improve boarding times as they are fully rolled out.
- 5.6 RTL continues to be recognised as an excellent operator at a national level with the Company shortlisted for 19 national and local awards in 2016, winning in six categories and also achieving three runner-up awards, a bronze award and a commendation. RTL was awarded "best in class" (Shire Operator) for the fifth consecutive year at the UK Bus Awards.

Awards title	Category	Result
Low Carbon Vehicle Partnership	Low Carbon Road Transport Initiative of the Year	Shortlisted
routeOne Operators Excellence Awards	Operator Training Award	Shortlisted
	Partnership of the Year	Shortlisted
	Innovation of the Year	Shortlisted
	Environment Award	Shortlisted
	Large Bus Operator of the Year	Shortlisted
	Manager of the Year (Martijn Gilbert)	WON
	Engineer of the Year (John Bickerton)	WON
National Transport Awards	Bus Operator of the Year	Shortlisted
	Improvements to Bus Services	Shortlisted
CILT Annual Awards for Excellence	Development of People	WON
Pride of Reading	Business Environment Award	Shortlisted
UK Bus Awards	Environment	WON
	Making Buses a Better Choice	Silver
	New Horizons Award	Bronze
	Putting Passengers First	WON
	Unsung Hero Award (Chris Vest)	Commendation
	Young Manager of the Year (Dan Bassett)	Silver
	Top Shire Operator	WON
	Top Bus Operator of the Year	Silver

6. FINANCIAL IMPLICATIONS

6.1 None.

7. LEGAL IMPLICATIONS

7.1 Under RTL's Articles of Association (Section 12 Annual/interim update) the company must submit an annual review of the performance of the business and also provide an interim update.

8. BACKGROUND PAPERS

8.1 None.