

## READING BOROUGH COUNCIL

### REPORT BY EXECUTIVE DIRECTOR OF RESOURCES

<b>TO:</b>	<b>POLICY COMMITTEE ACTING AS SHAREHOLDER OF READING TRANSPORT LTD</b>		
<b>DATE:</b>	<b>15 JULY 2019</b>		
<b>TITLE:</b>	<b>READING TRANSPORT LTD - OPERATIONAL UPDATE</b>		
<b>LEAD COUNCILLOR:</b>	<b>COUNCILLORS PAGE, BROCK &amp; EMBERSON</b>	<b>AREA COVERED:</b>	<b>TRANSPORT &amp; STRATEGIC ENVIRONMENT AND FINANCE</b>
<b>SERVICE:</b>	<b>COUNCIL-OWNED COMPANY</b>	<b>WARDS:</b>	<b>BOROUGHWIDE</b>
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#### 1. EXECUTIVE SUMMARY

- 1.1 Reading Transport Ltd (RTL) is a wholly owned company of Reading Borough Council. The company's Articles of Association set out its obligations in terms of reporting to the Council as Shareholder as well as the matters which are reserved to the Shareholder.
- 1.2 The Operational Update appended at Appendix 1 has been submitted by the Company in respect of its reporting obligations.
- 1.3 This covering report sets out the key points arising from the Company's update.
- 1.4 Appendix 1 - Reading Transport Limited Operational Update, June 2019

#### 2. RECOMMENDED ACTION

- 2.1 That the Policy Committee, acting as Shareholder of Reading Transport Ltd, note the Operational Update attached at Appendix 1.

#### 3. BACKGROUND

- 3.1 Reading Transport Ltd's Articles of Association require that the Company submit an interim review to the Shareholder not later than nine months after the end of its accounting period.
- 3.2 The Company's current financial year end is 30<sup>th</sup> September.
- 3.3 Additionally, the Articles set out the reserved matters for the Shareholder, these include approving in writing:

- The appointment or removal of a director of the Company

## **POINTS TO NOTE**

- 3.4 Reading Transport Ltd. (RTL) acquired Newbury and District Ltd. In September 2018 and Courtney Coaches Ltd. on the 30<sup>th</sup> April 2019, both are operating as subsidiaries of RTL. RTL incurred significant one off expenditure as a result of the acquisitions.
- 3.5 New ticketing technology, the roll out of contactless payments and the introduction of a phone app during the period have reduced boarding times. However, journey times on some routes are still suffering due to congestion.
- 3.6 The Company proposes to continue with its fleet replacement programme (10% per annum) ensuring the fleet remains fit for purpose.
- 3.7 The Company have won or been shortlisted for a number of industry awards as set out in paragraph 1.8 of the appendix.
- 3.8 Tony Pettit; the Company's Chief Finance and Information Officer and a Director of the Company is retiring at the end of August 2019. A new Finance Director is in the process of being appointed. The Shareholder's approval will be required if the Board wish the new appointee to become a Director of the Company in due course.

## **4. FINANCIAL IMPLICATIONS**

- 4.1 Whilst RTL report they have had a challenging time financially (see para 1.4 of the appendix), there are no financial implications arising directly from this report.

## **5. LEGAL IMPLICATIONS**

- 5.1 There are no legal implications arising directly from this report.

## **6. ENVIRONMENTAL IMPLICATIONS**

- 6.1 RTL contribute to the Council's Corporate Plan priority of ensuring Reading's environment is clean, green and safe, in particular by improving air quality.
- 6.2 As set out in paragraph 1.2 of the Appendix, RTL in collaboration with the Council have invested in a new and expanded gas compression facility during the period supporting their investment in gas powered vehicles. The Company currently has 62 gas powered vehicles in its fleet.
- 6.3 Overall, RTL are reporting passenger journeys up 2.5% year on year.

## **BACKGROUND PAPERS**

None