

Business Plan

2024

Getting it right for our people and our customers



Our vision

As an employer of choice, Lothian will deliver a sustainable, reliable and fully integrated public transport network which takes into account the changing needs of our customers and the aspirations of our shareholders



Lothian Buses

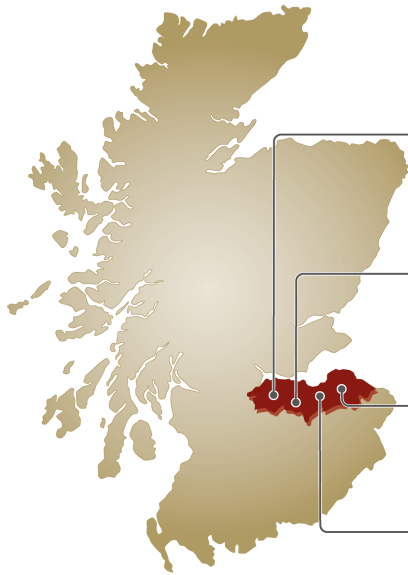
EastCoastbuses

Lothiancountry

EDINBURGH BUS TOURS

LOTHIAN MOTORCOACHES

EVE Coaches



Edinburgh and the Lothians



over **2500** colleagues



over **700** vehicles



26.7 million miles per annum



over **2 million** customer journeys every week





Executive Summary

Section 1: Strategic Context

The Lothian Group
The Lothian Journey
Transport Reform



Section 2: 2024 Key Deliverables

Resilient & Reliable

HR
Finance
Operations
Commercial
Strategic Systems
Technology



Safe & Sustainable

Engineering
Health and Safety
Property and Facilities
Business Continuity



Trusted & Valued

Communications
Accessibility and Inclusion

Section 3: Strategic Considerations

Value – Economic, Social & Environmental
Sustainability
Partnerships & Collaboration

Section 4: Additional Content

Glossary

Building on success

2023 was a strong year for Lothian. Our Business Plan, '2023 and Beyond' provided a robust platform for continuing to rebuild our business following the pandemic. The plan set out clearly defined objectives for each area of the Lothian business and allowed for key deliverables to be met, each underpinned by three strategic priorities.



The collective strategic actions of the plan were successfully delivered, resulting in a solid all-round group performance for the year. Following the end of Scottish Government pandemic funding, 2023 was the year during which Lothian became financially self-sufficient again.

The backbone of Lothian is the need to be resilient and reliable. These are the qualities that allow us to keep delivering for our customers day and night, all year round and ultimately remain commercially successful.

During 2023 we operated over 26.7 million miles and carried 110 million customers. We achieved this by investing heavily in the service that we offer, recognising that this starts with our own people. We worked closely with our trade union, Unite and successfully agreed a 2-year pay agreement. We built on this further by enhancing our employment offering through the introduction of healthcare benefits, pension salary sacrifice, a cycle to work scheme and improved driver duties and rotas.

We announced our wider pledge to sustainability by launching the strategy 'Driving towards Net Zero'. The strategy sets out our environmental agenda and includes the commitment to fully decarbonise Lothian's fleet by 2035.

This plan for 2024 seeks to build on the successful platform delivered by the 2023 and Beyond plan.

From strength to strength

At 105 years old, Lothian is one of Edinburgh's finest achievements. For generations, we have provided transport to the people of Scotland's capital city and the surrounding Lothian region. Our purpose is to deliver a world-class, socially-inclusive and sustainable public transport network.

The City of Edinburgh Council's Public Transport Action Plan states that *'Edinburgh already has one of the best public transport systems in the UK. What is good for public transport is good for Edinburgh.'*

Lothian believe in the true spirit of community. We are committed to continuing to enhance the customer experience both on and off bus and to making customer interactions as inclusive and accessible as possible.

During 2024 we will invest heavily in our customer offering by restoring mileage to the network in the Spring and Autumn with the aim of growing group network patronage. To support this, new technology for customers will be delivered in various forms including improved real-time information, an evolved customer app and enhanced ticketing products.

We will continue to develop our environmental agenda and invest in the fleet aligned to the Net Zero 2035 plan. The next 12 months will see us take delivery of a first phase of electric vehicles representing a whole new chapter for Lothian's fleet. This will be underpinned and future-proofed by the installation of the charging infrastructure required for the electrification of Central Depot.

As one of the major employers in the area we will strengthen our social value across the network that we serve with a robust programme of engagement involving schools, local communities and other key organisations and stakeholders.

The success of Lothian is down to the collective effort, enthusiasm and loyalty of our people.

Our goals for 2024 are clearly set out in this plan so that our people, customers and stakeholders can understand what we will deliver and how we will deliver it.

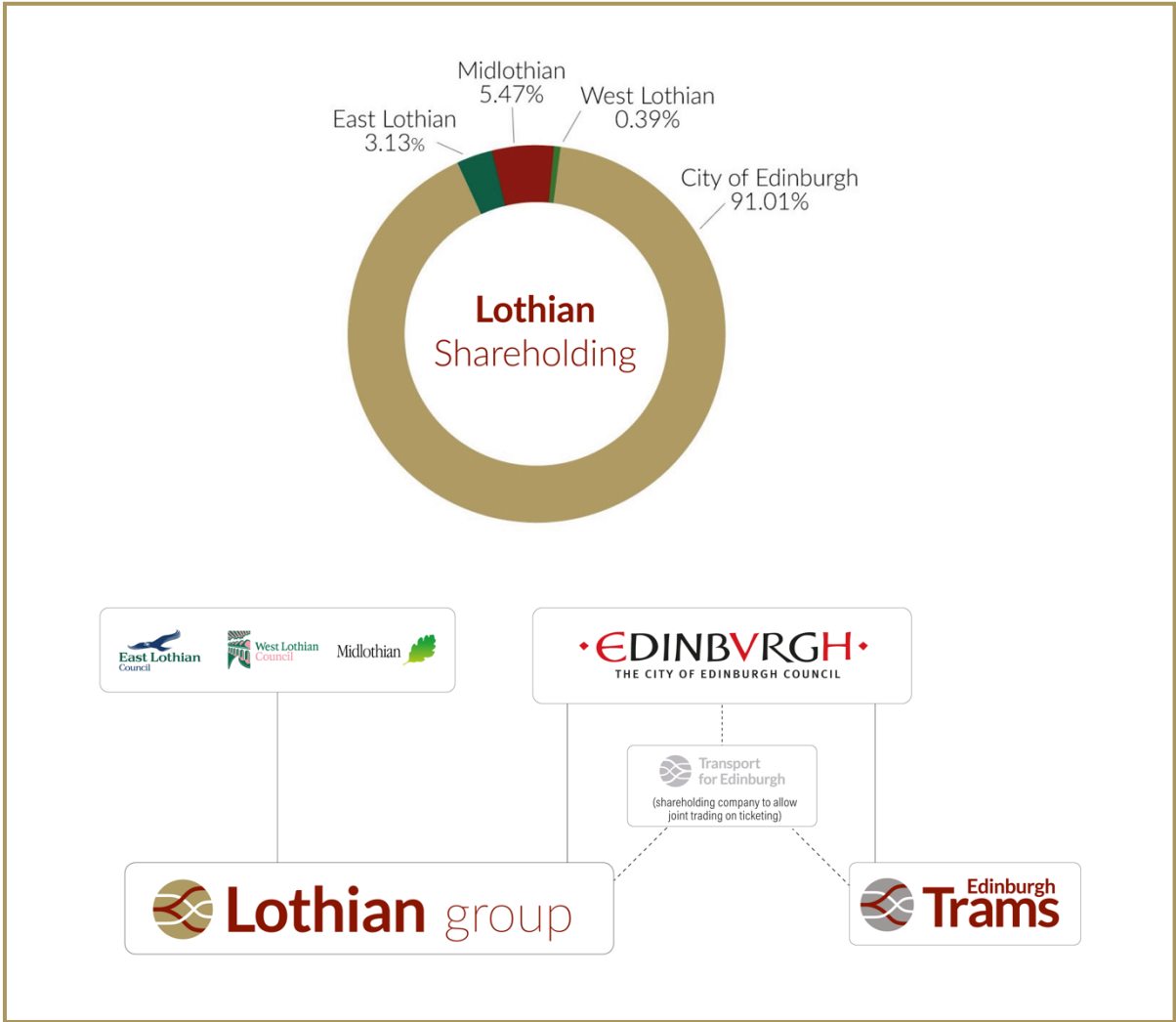
Sarah Boyd
Managing Director

Strategic Context

The Lothian Group

The Lothian Group is comprised of 3 constituent parts: the core bus business, providing more than 70 bus services in Edinburgh and the Lothians; Edinburgh Bus Tours, one of Scotland’s most popular tourist attractions; and Lothian Motorcoaches and Eve Coaches, private hire coach operators.

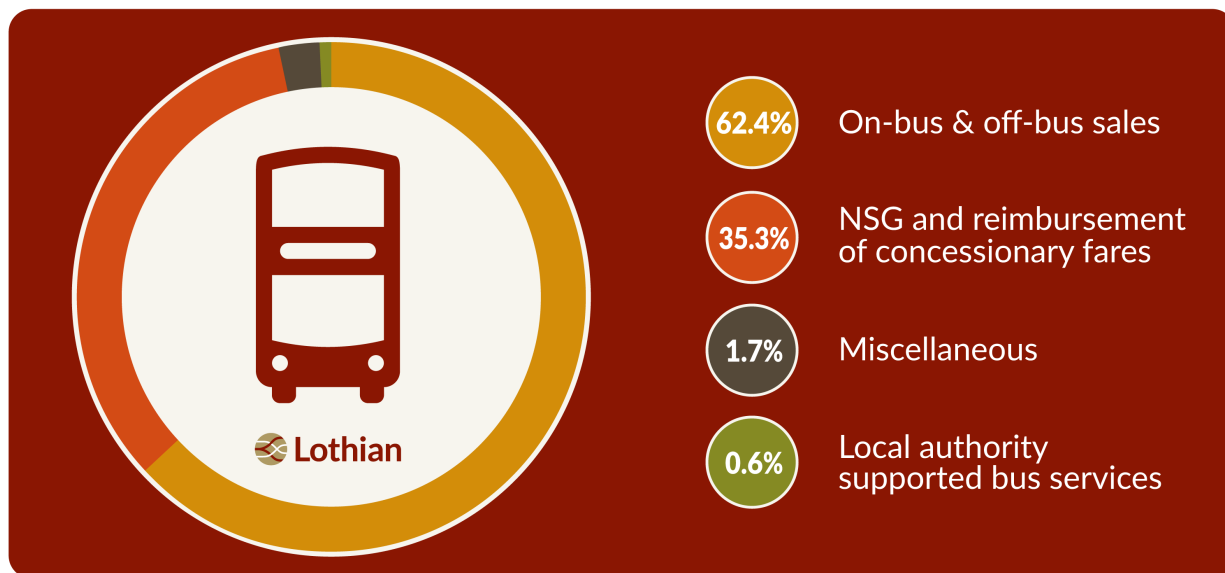
We are 91% owned by City of Edinburgh Council with the remainder of our shareholding split between the Local Authorities in East Lothian, West Lothian and Midlothian.



Strategic Context

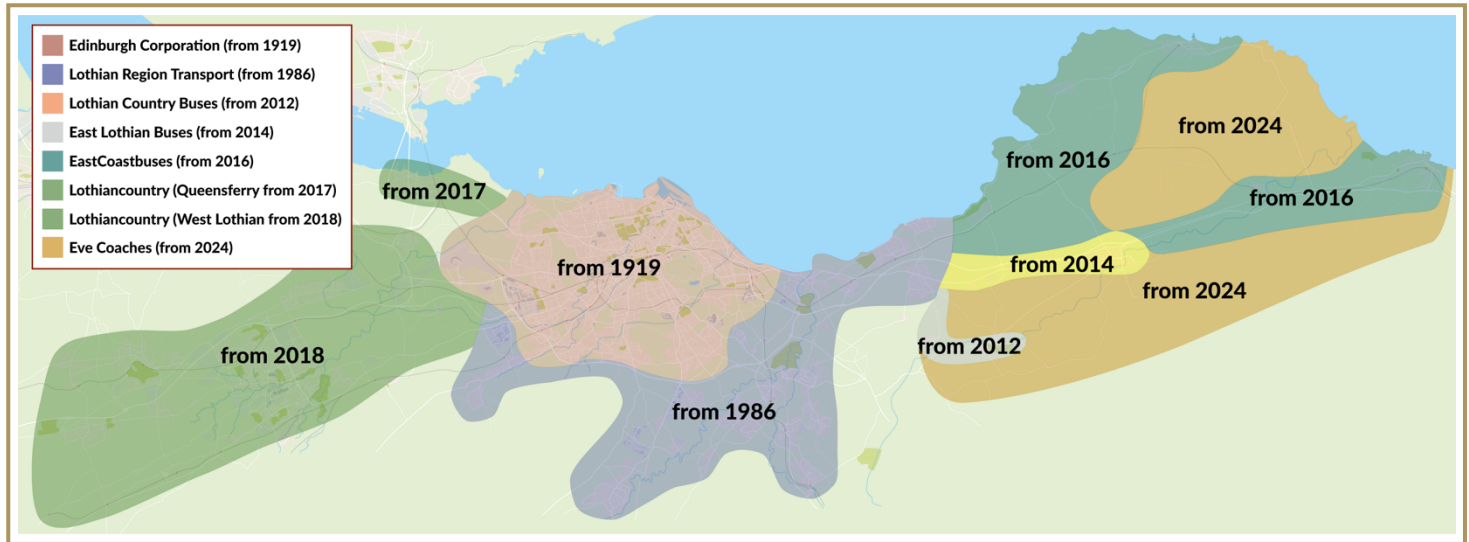
Lothian is operated at arm's length from its shareholding Local Authorities, with an independent board who take responsibility for all decisions associated with the company.

A breakdown of where our revenue comes from is shown below:



Over 97% of our revenue is fully commercial; we do not receive any public funding other than Network Support Grant (NSG) and the reimbursement associated with the Young Persons' (Under 22s) and Over 60 & Disabled Concessionary Travel Schemes.

The Lothian Journey



The Business

The journey so far

Lothian has been constantly evolving since 1919. Following the passing of the 1985 Transport Act, deregulation of the bus industry in 1986 led to significant expansion of our network beyond traditional city limits. In each of these new areas, existing operators had high or full market share. Retaining existing market share in the city and overseeing expansion beyond the city, this growth has been achieved throughout decades of extremely competitive markets and is testament to Lothian's commercial dexterity, service delivery and continued investment in our people and fleet.

Geographical Expansion

A key strength has always been our ability to successfully adapt the network to meet changing circumstances. This has been demonstrated in recent years with seismic shifts in societal habits owing to the pandemic and a behavioural change towards working from home and hybrid working patterns.

Strategic Context

Furthermore, at a local level, the opening of the extension of the tram line to Newhaven has altered bus travel patterns in Leith.

Strong stakeholder relationships are fundamental to ensuring the role of the commercial bus network is fully understood, supported and aligned with local and national planning and policy objectives to improve the environment and encourage modal shift. Network planning decisions will continue to be informed by analysing data and trends, underpinned by strong operating expertise and experience. This will ensure that the commercial bus network has the flexibility to respond, adapt and flourish.

During 2024 we will actively pursue relevant opportunities for expansion, acquisition and diversification in order to continue to strengthen the Lothian Group.

Lothian City

Lothian City operate over 50 routes day and night across Edinburgh, East Lothian and Midlothian with a fleet of 500 vehicles from our 3 city depots: Central, Longstone and Marine supported by a centralised facility at Seafield.

Edinburgh is a primary business hub and tourist destination for both domestic and international visitors. Recognising the demand from travellers and employees at Edinburgh Airport, we provide a dedicated 24/7 airport to city centre express service, Airlink, complemented by Skylink services which provide local suburban links.

East Coast Buses

With a fleet of 50 buses from Musselburgh depot and an outstation in North Berwick, East Coast Buses operates 13 daytime routes, including school buses and 3 night routes between East Lothian and Edinburgh. Following the purchase of Musselburgh depot in 2016, considerable investment in fleet and the network has led to exponential customer growth. We are cognisant of planned future developments in East Lothian, and will continue to support a growing and maturing customer base.

Lothian Country

With a fleet of 52 buses operating from Livingston depot, Lothian Country operate 8 daytime routes and 3 night routes between West Lothian, Queensferry and Edinburgh.

The West Lothian network was launched in 2018, following the introduction of a Queensferry service in 2017. Subsequently, there were a number of revisions in West Lothian in response to various market requirements. In late 2023 we bolstered the commercial network with the addition of two West Lothian Council tenders and then, in response to the withdrawal of a competitor from the local area, we added two further commercial services and extended a third.

It is intended that these additional services will support customer growth across the West Lothian network and complement the already successful routes into Edinburgh.

As with East Lothian, West Lothian has seen a number of large housing developments planned or under construction and progressing connectivity to these developments represents a significant opportunity to grow our customer base in these areas in the years ahead.

Edinburgh Bus Tours

Our open-top tours business is rated a Visit Scotland 5-star attraction, has a gold award in Green Tourism and contributes significantly to the tourist economy. At its peak in the height of the summer, 25 buses provide a fantastic experience for visitors and locals travelling on the various tour routes,

Since 2019 there has been competition on open-top tours in the city. Our tour and product offering will continue to be annually reviewed to ensure that we provide a quality, value for money and attractive experience aimed at growing market share.

From July 2020, tours have been relocated from Waverley Bridge, first to St Andrew Square and then in early 2023 to Waterloo Place. We will continue to engage with the City of Edinburgh Council to identify a suitable long term departure point – our strong preference being a return to Waverley Bridge.

Lothian Motorcoaches

Launched in 2018, Lothian Motorcoaches operate 21 vehicles from a base at Newbridge, providing day tours and private hires.

Strategic Context

Motorcoaches quickly established a reputation as a quality and reliable operator and continues to build upon the many successful agreements and partnerships with tour operators and corporate clients helping to maintain a breadth of work throughout the calendar year.

Eve Coaches

Purchased in February 2024, Eve Coaches operate a small fleet from a base in Dunbar, providing local services, home-to-school transport and private hires.

Transport Reform

Further relevant context to the 2024 Business Plan is the continued intent of City of Edinburgh Council (CEC), as owner/majority shareholder to undertake a reform of its transport companies.

The end state integration objective is for a single board to be established with oversight of both tram and bus operations. This was ratified in a paper to the city's Transport & Environment Committee in October 2023.

The Lothian legal entity will be the basis for the single board, as envisaged, with transition arrangements expected to be put in place to achieve integration during 2024.

SECTION 2: Key Deliverables

In line with the three wider strategic priorities, this section of the plan outlines the key deliverables for each area of the business.

As per the established reporting process, each objective will be measured and tracked quarterly and reported at Board level.



HR

Lothian's success is due to the strength and talent of its people. We will continue to evolve our culture and make the working environment a fair and inclusive place where talent is nurtured and people can thrive.

Key Deliverables

Work with managers in the business to identify current and future skills gaps and succession planning requirements. Coordinate and ensure delivery of externally sourced training required to ensure succession plans can be met.

Embed a Learning & Development strategy for drivers and non-drivers, centralised in HR in conjunction with the Performance Appraisal process.

Review terms and conditions for employees and contractors to ensure compliance with Living Wage Scotland.

Identify ways of recognising individuals for going above and beyond.

Commence implementation of an HR system across the business. Solicit feedback from managers and streamline processes and procedures.

Continue to develop the wellbeing of our people through signposting available support and review of all benefits and benchmarking of health strategies.

Continue with the Policy Matrix review to ensure all policies are compliant and reviewed in accordance with the recommended timescales.



85%

of our people are proud
to work for Lothian

Finance

Strong governance and solid financial practice form part of the commercial backbone of Lothian. Through increased awareness and education for managers within the business we will optimise the management of costs and drive efficiencies.

Key Deliverables

Increase accountability of managers within the business on annual budgeting and forecasting by conducting quarterly spend reviews and financial performance updates with budget holders.

Identify and evaluate the options for raising capital finance for the vehicle purchases and associated infrastructure required to deliver the Net Zero 2035 plan. Evaluate all variations of these options.

Produce a plan outlining the financial considerations required for the Net Zero 2035 strategy.

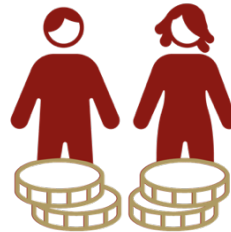
Enhance the strength and ability of the Finance team by maximising all opportunities for development.

Deliver an e-payslip solution for all employees that removes the need for paper payslips.

Taking into consideration their
duties and responsibilities

69%

of our people agree their pay is fair



Operations

Operational excellence and compliance are at the heart of service delivery. We will continue to embed these two key themes into all our operational processes and practices.

Key Deliverables

Ensure the Operations team have the driver resource available in order to meet the wider business objective for growth.

Implement and embed the agreed actions from the Edinburgh Bus Tours and Lothian Motorcoaches business reviews, whilst continuing to explore new opportunities to maximise revenue growth.

Continue to harness technology and streamline processes in order to improve efficiencies, with a focus on improving colleague and customer experience.

Further develop our approach to Operational Risk, by embedding 2023 initiatives and introducing new activities that will reduce accidents and all associated costs.

Carry out a review of our security measures across all operational sites.

Review and evolve our driver uniform.



81%
of our people agree their
manager is supportive

Commercial - Network

Extensive analysis of passenger trends and network performance data allow for the continual improvement of our network and services.

Key Deliverables

Grow group network patronage 1% on-year through developing commercial opportunities, service enhancements and/or geographical expansion.

Provide a viable, comprehensive and holistic bus network acknowledging elements of economic and social value which deliver benefits for the city and our customers.

Work with stakeholders to ensure that bus services and infrastructure are considered at the earliest opportunity and are at the heart of new developments.

Work with the City of Edinburgh Council to identify policy opportunities and infrastructure interventions which support a reliable, resilient and growing bus network.

In partnership with Operations, develop a new driver forecasting system which will support recruitment predictions and enable enhanced scenario planning.

Review on-street and on-bus customer information to ensure it remains industry leading, meets future legislation and is a means of promoting and encouraging travel by bus.

Commercial – Product

The stabilisation of ticketing product usage throughout 2023 provides a strong platform on which to build further success within our portfolio of ticketing products.

Key Deliverables

Grow Lothian Group farebox revenue from bus services by at least 2.5% on 2023.

Generate Open Payments (TapTapCap) growth by delivering a range of improvements.

Replace and upgrade the technical platforms supporting our off-bus pre-purchase product offerings.

Using newly delivered ticketing technologies, develop a suite of corporate and event travel solutions.

Lead on the introduction of a joint initiative which supports both Network and Product Commercial objectives, working with Communications to deliver a focused marketing campaign.

Commence the exploration and formation of Lothian's next generation roadmap for ticketing products and supporting hardware.

Increase pre-sales (e-commerce and agents) of Edinburgh Bus Tours products to 50% of volume.

86%

of our people agree they have
the information they need to
do their job well



Strategic Systems

Strategic Systems

We will harness technological innovation to enhance business agility and drive productivity.

Key Deliverables

Complete the implementation of the new version of Lothian's Real Time Information System (RTIS) replacing hardware elements and software systems and introduce a new central server and control room workstations.

Upgrade all radio technologies in the group from analogue to digital, linking in with the RTIS project.

Replace the current FACT fleet management software with Freeway Fleet Management software.

Perform feasibility checks & market evaluation to determine the best course of action to replace the current Duty Allocation System (DAS).

Introduce new Workforce Management solution.

Perform feasibility checks and market evaluation for a new corporate HR Solution.

Perform feasibility studies of AI applications for public transport and corporate activities.

Explore data analytics, business intelligence and statistical analysis platforms for reporting and dashboarding.

Technology

We will leverage technology to drive success in alignment with business requirements and long-term strategies.

Key Deliverables

Plan for and work towards CE and CE+ certification for added security.

Build and house the new real-time information infrastructure as well as other existing systems on the new internally-hosted virtual infrastructure.

Upgrade the network estate and network platform equipment and functionality.

Achieve High Availability (HA) to reduce downtime to less than 12 hours in the event of an outage or Business Continuity event.

Cloud Migration - Start planning how the Cloud can fully benefit the business.

Work with the Finance team to identify and implement an e-Payslip system which removes reliance on paper payslips.



75%

of our people agree they have
the resources and tools they
need to do their job well

Engineering

Robust vehicle maintenance and exceptional fleet presentation are critical to the provision of a high-quality customer experience.

Key Deliverables

Continue to invest in fleet in line with the agreed Net Zero 2035 plan, exploring new vehicle technology and repower solutions to improve on the current fleet.

Increase the volume of zero emission vehicles in the fleet while maximising funding available through ScotZEB 2 and any further funding possibilities.

Engage with stakeholders in the development of zero emission depots through a phased approach in line with the Net Zero 2035 plan.

Continue promoting a strong emphasis on employee training, and succession planning by ensuring an effective training proposal that supports increased knowledge about current vehicle technology. Implement detailed electrical training to support the delivery of the first 50 electric vehicles.

Modernise the engineering department through the introduction of a digital management system which will allow 24/7 visibility on the status of the fleet and improvements in vehicle downtime while ensuring maximum efficiency and safety. Analytics functions will allow performance and costs to be monitored on every vehicle thereby improving operational efficiency.

Maintain strong emphasis on vehicle quality and reliability through further development of the continual improvement ethos throughout Lothian.

Create and implement an action plan to drive improvements focusing on the 2023 Employee Survey results within Engineering.



72%

of our people believe that
there is a clear vision for the
future of Lothian

Health and Safety

Rigorous processes and procedures enable the delivery of an uncompromising Health and Safety regime.

Key Deliverables

Continual improvement of internal Health and Safety management systems to minimise exposure, ensure statutory compliance to risk and adverse incidents.

Enhance the Near Miss reporting procedure and develop the culture to encourage the reporting of any such incidents so as to maximise the opportunity for learnings and continuous improvements.

Deliver a 5% reduction of workplace employee injuries against 2023 results.

Introduce a database of recognised contractors where those included are subject to rigorous safety requirements, educated on company standards and demonstrate compliance with Living Wage Scotland.

83%

of our people agree Health
and Safety is taken seriously
at Lothian



Property and Facilities

Property and Facilities

Continual upkeep and investment in our property portfolio ensures the delivery of fit for purpose facilities and working environments.

Key Deliverables

Continue the investment in premises refurbishment and upgrades.

Review and upgrade facilities management system and processes to ensure compliance and maximise efficiency.

Improve processes to ensure that all waste streams and energy usage are monitored, managed and controlled to drive improvements.

Research and apply for funding opportunities for sustainability projects.

Business Continuity

Strong Business Continuity (BC) practices are critical to the ongoing resilience of the organisation.

Key Deliverables

Develop a 5-year rolling programme of activity that will encompass all elements of BC, ensuring each is revisited at an appropriate frequency

- Documentation review, including Risk assessment and Business Impact analysis
- Awareness and exercising – across all key roles, functions and departments that will maintain desired competency levels
- External and Internal Steering Group and Audit frequencies

Maximise the benefits from the investment in the business continuity site at Seafield by developing it into a 'warm' site, ensuring it is regularly used and remains fit for purpose.

Continue to develop resilience and learning by ensuring investigation, action and closedown of every serious or major incident at functional Director level reporting outcomes monthly.

Maximise in house competency and work in partnership with Inoni in development of their next generation BC software.



71%
of our people would
recommend Lothian as
a place to work



Communications

Our People

Colleague communication and engagement supports positive cultural behaviour. The purpose of internal communication is to build trust in the workplace, improve knowledge sharing, empower colleagues, and create a synergy that achieves buy in with the company's overall objectives.

Key Deliverables	Continue to evolve MyLothian to incorporate all elements of the wider business.
	Evolve MyLothian to an employee app.
	Deliver and evolve employee engagement events in support of wider business objectives.
	Create and deliver a Lothian Community Fund.
	Develop a stakeholder/partnership management portfolio system.

Communications

Customer

Clear and effective customer communication is fundamental to a positive customer experience.

Key Deliverables

Support the wider business by delivering robust marketing campaigns aligned to budget and Commercial objectives to grow patronage.

Implement a customer contact strategy and launch in conjunction with a campaign reinforcing positive behaviour.

Continue to evolve marketing partnerships to promote bus travel with a focus on mutual advocacy.

Promote sustainable information provision.

Customer

A primary role of the communications function is to support wider business objectives and promote public transport. Adopting an open, honest and transparent narrative through these consistent themes aims to translate wider business messaging with the ultimate objectives of capitalising on wider external engagement.

76%
of our people said that their
manager communicates effectively



Accessibility and Inclusion

Accessibility and Inclusion

Lothian is committed to making our service accessible and inclusive.

Key Deliverables	Consider accessibility on the provision of a bus service that is fit for all.	A1
	Engage further with customers and key stakeholders.	A2
	Support our people in their understanding and knowledge of disability and equality.	A3
	Ensure our focus on the wider aspects of Accessibility and Inclusion including relevant legislative compliance.	A4
	Develop best practice language and skills to further promote inclusive communication.	A5

A1 Consider accessibility on the provision of a bus service that is fit for all.

The engineering team will continue to actively integrate accessibility efforts into bus design. We are committed to discussing and considering feedback from customer engagement, with safety, practicality and accessibility leading factors in all decision-making processes.

Continued exploration and investment in training for colleagues throughout the business will equip them to recognise and assist customers and colleagues with disabilities. Emphasis will be placed on priority seats and wheelchair-accessible spaces. This initiative involves clarifying current legislation and our conditions of carriage, further solidifying our zero-tolerance approach to antisocial behaviour and our commitment to the Hate Crime Charter.

Initiatives include:

- Accessible Communication: We will ensure that information about routes, schedules and services is communicated clearly and in an accessible format for everyone.
- Inclusive Design Principles: Implementation of inclusive design principles for our vehicles to accommodate diverse needs, especially for those with mobility challenges.

Accessibility and Inclusion

- Digital Platforms Enhancement: We will improve online platforms and mobile apps to cater to a wide range of bus service users, providing real-time information, ticketing options and enhanced accessibility features.
- Accessibility Audits: Regular accessibility audits will be conducted to identify and address barriers in both physical and digital aspects of our services.

A2 Engage further with customers and key stakeholders.

Our commitment to accessibility will drive us to continually engage with customers and stakeholder groups, gaining a deeper understanding of the accessibility and inclusivity needs of those who use our services.

This will involve promoting the dedicated accessibility channel, maintaining open and transparent communication and actively listening to customer feedback.

We will continue to run a quarterly Bus Accessibility Forum (an online webinar) where Lothian colleagues, customers and key stakeholders can engage in respectful and constructive discussions on various aspects of bus travel. This forum is instrumental in sharing information, understanding customer needs and sense-checking potential changes. We will focus on continuous improvement to ensure customer and colleague feedback channels are effective. Engaging with customers and key stakeholders will be fundamental in ensuring quality service delivery related to matters of accessibility and inclusion.

Surveys targeting customers who are not neurotypical and those who travel with young children will be crucial as they will provide data about how they use and experience our services.

Engaging with individual customers and organisations and providing support services to people with accessibility needs, who may not be confident in using public transport independently, offering our 'Supported Journey' product.

We will continue with the regular travel clinic at Shandwick TravelHub, which aims to offer accessible face-to-face information provision, TfE app training and support to customers. Lothian will also continue to host and attend forums, coffee mornings and community events. This will strengthen our relationship with customers and communities.

Accessibility and Inclusion

A3 Support our people in their understanding and knowledge of disability and equality.

Lothian remains resolutely committed to providing comprehensive training focused on disability awareness and equality for all colleagues across the business to foster an inclusive environment with a goal of improving customer experience.

The business will:

- Continue to invest in training to support colleagues across the Lothian family in acknowledging and supporting customers and colleagues with disabilities.
- Outwardly commit to working towards a better understanding of disability within our communities and encourage our customers to be considerate of one another's needs when traveling with Lothian.
- Continue to use media output to support local charities and raise awareness of various disabilities throughout the financial year, using our colleagues at Lothian and customers as positive role models.
- Continue to promote consistent language as outlined by protected groups.
- Ensure accessibility and inclusivity in job advertising, interviewing, and onboarding.

We will continue to support our people by staying up-to-date with relevant legislative requirements and providing dedicated training, advice and guidance to support their broader understanding of disability and equality. Working with our HR Team, information will be provided to any colleague with a disability or chronic illness, including signposting to helpful external organisations or relevant resources.

A4 Ensure our focus on the wider aspects of Accessibility and Inclusion including relevant legislative compliance.

The Business will focus on efforts to ensure wider aspects of accessibility and inclusion, while maintaining legislative compliance. This will involve reviewing and publishing equality statements, including Ethnicity and Public Transport Statement and the Gender and Public Transport Statement.

Accessibility and Inclusion

Continued commitment to the Hate Crime Charter, collaboration with Disability and Equality Scotland and Police Scotland (Keep Safe) will further contribute to broader charter objectives. Lothian will actively participate in wider stakeholder groups emphasising inclusivity, equality, and diversity in Scotland, fostering advocacy and building strong mutual alliances. Leveraging our social media reach to support local organisations focusing on inclusivity, equality, and diversity. Regular audits of online services in accordance with Web Content Accessibility Guidelines (WCAG) will guarantee the provision of legislatively compliant accessible information.

With a continued focus on open, honest, and clear communication, we will keep up-to-date with the preferred language used by protected groups to ensure that this language is used consistently across the business.

A5 Develop best practice language and skills to further promote inclusive communication.

We will:

- Engage with external stakeholders to better understand best practice language and terminology when communicating and supporting people from protected groups.
- Engage with colleagues at Lothian to better understand their experiences when communicating and supporting employees and customers who are not neurotypical.
- Commit to developing and implementing best practice language guidance for managers and employees in customer-facing roles.
- Work collaboratively with the HR Team to ensure the above is uniform and conforms to relevant policies across the business.

We recognise that effective communication is essential, and understanding the unique needs or preferences of our people and customers who are not neurotypical is key to building positive and respectful relationships. We will work with charities and relevant organisations who support people who are not neurotypical to ascertain best practice language.

Partner with advocacy groups and experts in inclusive communication to gain insights, share best practices and stay informed about evolving standards.

Accessibility and Inclusion

The implementation of best practice language guidance for managers and colleagues in customer-facing roles will assist our colleagues and managers in effectively communicating and supporting colleagues and customers who are not neurotypical.

We will commit to inclusive communication beyond the business by actively participating in community events and initiatives that promote diversity and inclusion.

We will seek feedback on the effectiveness of best practice language guidelines from managers and colleagues in customer-facing roles. With such interactive workshops, employees can openly discuss challenges, share experiences and learn from one another to foster a culture of continuous improvement in inclusive communication. We will actively listen to constructive feedback and improve where required.

Incorporate inclusive design principles into visual communication materials to ensure they are available to individuals with accessibility needs.

With guidance in circulation, we will ensure digital copies are easily accessible on our digital platform (MyLothian) for ongoing learning. We will run an internal awareness campaign on this product.

84%



**of our people are aware
of Lothian's policy on
Diversity and Inclusion**

83%

**of employees agree they
can be themselves at work**



A huge contribution

Lothian is very much part of the fabric of Edinburgh and has been for over 100 years. The maroon and white buses form part of the identity of the city and the brand is trusted, relied upon and considered a part of everyday life. Customers say that they feel connected to Lothian in a unique way. Lothian is committed to the communities in which we operate.



ECONOMIC VALUE:
A MAJOR FINANCIAL
CONTRIBUTOR

With 2 million customer journeys each week, the Lothian Group is a major socio-economic contributor at both a local and a national level. This can be further quantified by significant added-value factors which provide economic, social and environmental value. In broad terms, Lothian's value can be grouped under these headers.

A holistic network

Lothian operate a holistic network of services with inclusivity and accessibility at the forefront. The services we operate recognise elements of economic and social value, which contribute to the overall attractiveness of the bus network, and in isolation might not ultimately be viable. These services would otherwise not run or alternatively be provided for through local authority funding for tendered bus services.

In 2023, £4.1m of services, subsidised by Lothian, were operated for social need.

Returning a dividend to our shareholders

Lothian's shareholder agreements state that it will distribute cash, by way of a dividend, when profit and cash flow allow. Dividend payments are only considered after detailed evaluation of the company's performance and its ongoing strategic, financial and investment obligations.

In the last 10 years, Lothian has returned over £36m in dividends to its Local Authority shareholders.

Value for money

Lothian has a long-standing reputation with its customers for being affordable and good value for money, with fares comparing favourably to other operators and cities across the UK. We offer a simple fares structure across a range of products recognising that our customers have different ticket requirements.

During 2023, Contactless payments rose to over 50% of all paid-for journeys.

An enabler for tourism

Lothian make a significant contribution to both the local and national tourism economy. We operate Edinburgh Bus Tours (EBT), Scotland's 3rd most popular, paid-for visitor attraction. Recognised as City Sightseeing Worldwide's Global Operator of the Year, EBT also continue to retain a coveted 5-star Visit Scotland award.

The hop-on hop-off open-top tours provide visitors with a unique view of the city in addition to facilitating travel between other key attractions in the capital, with whom we enjoy close working partnerships.

In addition to the tours operation our service network plays a huge part in delivering tourists to Edinburgh's extensive festivals programme and visitor attractions. Our special events services delivered over 150k customers to sporting, music and cultural events throughout the year and our special X99 Cruiselink service enables visitors to maximise their short time in the city, supporting the wider tourist economy.

In August 2023, Lothian saw the same uplift of customers throughout the Edinburgh Festival as was achieved in 2018.

Special services for major events

Lothian is the official transport partner for multiple city events throughout the year. We provide vital transport links enabling affordable, sustainable and accessible travel options. As a key part of public safety, we liaise closely with local authority and police partners in both the planning and delivery processes.

Special Event services provided for 19 events taking place over 32 days, transporting over 150,000 people.

A large local employer

Lothian is one of the largest employers in Edinburgh, offering first-class employment, training, apprenticeships and multi-faceted career pathways.

In 2023, Lothian and its people contributed over £37m in tax and National Insurance.

Supporting the night economy

Lothian operate a comprehensive late evening timetable and lifeline Nightbus network after midnight, with continuous service provision supporting the night economy throughout the region. This provides critical transport links for those who work throughout the night as well as bringing support to the entertainment, leisure and hospitality economies.

In 2023, 15,000 passenger journeys were undertaken each week on the Nightbus network.

Bus stop information

In the city itself, on behalf of the local authority, Lothian is responsible for maintaining bus stop flags, including updating service number and operator logo information for all other bus operators. Across our operating area, in each local authority, we provide timetable information at 3,000 bus stops.

The annual cost for providing this service is £350k.

Lothian's Value: Social

Lothian is proud to be at the heart of the communities we serve. A robust corporate and social responsibility agenda provides a platform on which we can influence and drive positive change. We strive to give back to the communities we serve and bring significant additional benefits and value to our operating area, recognising that not everything that counts can be counted.



SOCIAL VALUE

Strategic partnership working brings innovation, shared knowledge, mutual advocacy and supports delivery of Lothian's wider business objectives. We are committed to continuing with, and entering into, partnership working and collaboration which are meaningful, have purpose and provide mutual evidential benefits

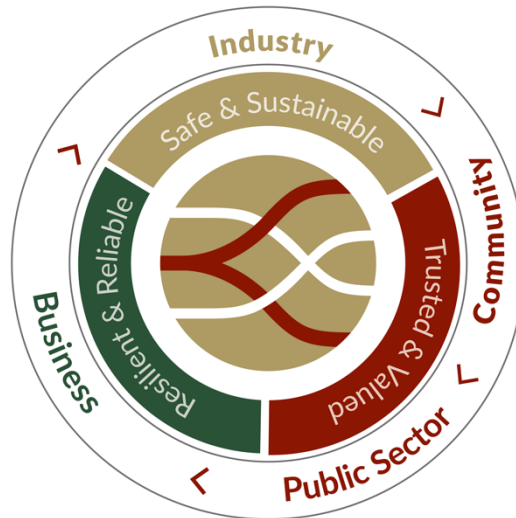


AN ACCESSIBLE SERVICE FOR ALL

Lothian's Value: Social

Lothian has a collaborative culture and is naturally drawn to working with others for the benefit of our business, our people, our customers and the communities we serve. We treat our partners and stakeholders with respect, setting out fair and clear expectations and enjoy strong working relationships with a variety of stakeholders and organisations.

Broadly speaking our wider partnership working consists of relationships within four main categories with a significant degree of crossover. These categories are Business, Industry, Community and Public Sector.



In forming partnerships, we seek good value for money. We harness technology and promote collective thinking to innovate. We communicate with honesty and transparency, and in return can be held accountable for our delivery. To build upon these strengths, we will use Lothian's strong core values and brand identity to work with others in order to scale up our collective input and impact.

It is by working together to mutual benefit that we can deliver Lothian's vision to get it right for our people and our customers.

Lothian's Value: Environmental

As the main public transport operator in Edinburgh and the city regions we are acutely aware of the effects our services have on our environment and the communities in which we operate. Lothian have defined an ambitious sustainability agenda which illustrates a committed timeline for fleet decarbonisation. Our net zero plans have been developed in line with stakeholder aspirations and wider climate objectives. To hit key milestones successfully, we will boldly adopt new ways of thinking, harness green technology and develop our plans in partnership with others.



ENVIRONMENTAL VALUE

As we begin our journey to Net Zero we will develop an organisational culture that is environmentally conscious and promotes sustainability across our business.

Lothian's 3 overarching sustainability objectives for 2024 are:



1 **Deliver**

Start to deliver our Net Zero 2035 plan to decarbonise our fleet in line with wider climate change objectives.



2 **Develop**

Develop sustainability practices throughout our properties and facilities.



3 **Engage**

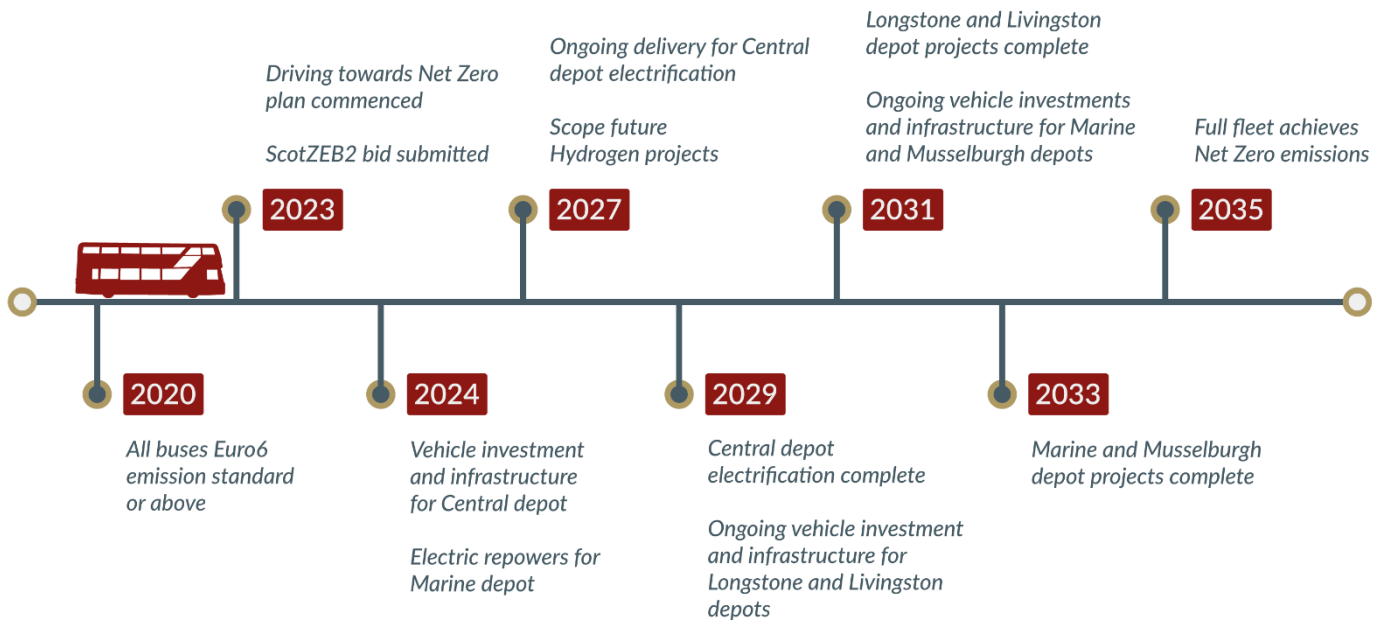
Engage and motivate our people, encouraging them to take part in our net zero journey.

1. Decarbonising the fleet

The combined Lothian fleet is made up of over 670 vehicles across 7 sites. The vehicles use over 19 million litres of diesel per annum, creating around 49k tonnes of CO2. As such, Lothian recognises the vital role it plays in achieving both national and local government climate change targets.

In order to achieve Net Zero, we have developed a commercially-viable strategy which incorporates plans for all routes, vehicles and depot infrastructure.

The strategy is a phased and structured approach with a target completion year of 2035. This has allowed for the inclusion of necessary contingencies required for developments in technology, business needs, customer requirements, financial constraints and obtaining the support from various partners.



Lothian's Value: Environmental

Our first steps on the road to net zero, will see us invest in 50 double deck vehicles together with the required infrastructure for Central Depot and Marine Depot.

The full electrification of Central will be a phased approach that directly links with the number of vehicles being purchased each year.

At Marine Depot we have secured sufficient power supply with the ability to further upgrade to accommodate the open top fleet of mid-life electric repowers and for future new vehicles.

Mid Life Electric Repowers

To accelerate the introduction of electric vehicles into our fleet and to reduce our capital outlay of new vehicles, we will further explore the feasibility and benefits of mid-life repowering of diesel vehicles to fully electric. This would allow for a zero-emission bus at a lower initial cost. However, the technology and experience of a successful conversion are still unproven; therefore, have not been included in our initial renewal plan for the Lothian City fleet.

The project has received a grant from Transport Scotland's BEAR 5 funding programme to fully repower the Edinburgh Bus Tours fleet. If proven to be successful, then amendments could be made to the fleet plan to include repowering of other vehicles in the current fleet as a viable option.

Funding

The yearly upfront vehicle and infrastructure capital costs require significant investment, so any financial support available will always be explored.

Lothian will continue to maximise applications to any funding stream to subsidise the acquisition and to increase the volume of alternative fuel vehicles in our fleet. If successful, this could accelerate our journey to Net Zero.

2. Property & Facilities

Infrastructure

The major shift towards zero emission technology has highlighted a number of infrastructure changes that will be required in each of our depots. One of the main considerations is how we gain access to the required amount of alternative fuel that will be needed to run services.

Discussions with a number of power and infrastructure providers have allowed us to better understand these requirements. This has enabled us to identify the current power available at our depots and the power requirements that will be needed in the future.

A further consideration is the need for opportunity charging to be strategically located on routes where there is a need to provide buses with additional power throughout the day. Various discussions and scoping work are underway with partners across the Lothian network to establish these charging points.

Due to the extremely high cost of the new infrastructure, it is recommended that only one fuel type is required per location. It is envisaged that the depots will be converted as follows:

- **Central** Electric & Opportunity Charging
- **Marine** Electric & Opportunity Charging or Hydrogen
- **Musselburgh** Hydrogen
- **North Berwick** Hydrogen
- **Longstone** Hydrogen
- **Livingston** Hydrogen
- **Coaching** Electric & Opportunity Charging or Hydrogen

Recycling Strategy

To increase the rate of recycling taking place on-site, we are currently reviewing our waste management procedures. We will reduce the overall volume of waste we produce by streamlining the handling and disposal of our waste streams, establishing the same basic disposal options across all sites, and building on our current partnership with our waste management contractor.

Our main goal will be to efficiently sort waste at source. This maximises the potential for recovering the recyclable items and reduces the chance of contamination between waste streams, enabling the responsible processing of our waste in support of our journey to net zero. Additionally, appropriately sorted waste reduces the cost of disposal and can often provide Lothian with a financial rebate for valuable materials.

3. Environmental Conscience

The effective use of all available methods of communication will allow us to highlight key issues such as the value and importance of waste segregation or energy saving advice, enabling us to get the message out across the whole business.

Climate Change Risk Assessment

A key part of our approach to sustainability is to understand the role of climate change and how it impacts our business, as well as the people and places we serve. The preparation of a climate change risk assessment will identify and mitigate the risks occurring from possible climate change vulnerabilities. We will demonstrate our commitment to environmentally responsible behaviour and strengthen business resilience by taking appropriate proactive measures to mitigate such risks.

Community Engagement Initiatives

Community involvement is an important factor when looking to advance our sustainability objectives. Previously, Lothian has taken part in a number of successful community and educational projects. Our intention is to reinvigorate these as a way to raise awareness of our net zero journey and share our progress with the wider community.

Working with our Local Authorities

Lothian seek to lead by example to maximise opportunities to deliver joint solutions with our local authority partners to **drive modal shift**. To achieve that we must continue to enhance the customer experience to ensure that public transport is a **fast, reliable and sustainable** option. As an integral part of life in and around Edinburgh, using the bus should be **inclusive and accessible for all**.

Growing patronage is key to securing the **commercial viability** and future success of Lothian and supporting the city region to build **a more sustainable future for everyone**. To deliver this, Lothian will collaborate with its local authority shareholders – City of Edinburgh Council, Midlothian Council, East Lothian Council and West Lothian Council. We must continue to work together to deliver for the wider benefit of the city and its surrounding region.



Key Deliverables

Coordinate the planning, delivery and communication of roadworks with consideration for the impact on passenger journey times and network reliability.

LA1

Utilise best practice learnt from recent development projects to implement guidelines and policy for high quality, zero carbon transport provision within all placemaking and infrastructure projects.

LA2

Understand the ambition and support the delivery of Lothian's Net Zero 2035 plan.

LA3

Working with our Local Authorities

LA1 Coordinate the planning, delivery and communication of roadworks with consideration for the impact on passenger journey times and network reliability.

During 2023, a total number of 904 planned diversion notices and 908 unplanned diversion notices were published, resulting in approximately 5,000 customer notices issued at closed or temporary bus stops across the network.

Coordination of works is vital to ensure that passenger confidence in the bus network is maintained.

Best practice

The multiple concurrent works that took place in 2023 on the route of service 38 was reduced from 5 substantive conflicts to 3 following representations from Lothian. The three conflicts that were allowed to continue resulted in a loss of passenger confidence and required the provision of extra resource, reducing revenue while increasing costs, the result both of which have an adverse impact on the financial viability of the service.

LA2 Utilise best practice learnt from recent development projects to implement guidelines and policy for high quality, zero carbon transport provision within all placemaking and infrastructure projects.

Lothian have considerable knowledge, data and operating experience which has been sought after in recent development projects to help inform decisions regarding high quality, value for money, zero carbon transport provision. We welcome the opportunity to continue to apply this best-practice and actively contribute to placemaking and infrastructure projects across the city region.

Best practice

West Edinburgh Transport Improvement Programme (WETIP)

Direct engagement with WETIP from the outset allowed the plan to take account of current and projected bus services by harnessing existing journey time data to produce robust modelling. On the understanding that tram alone will be unable to provide the required future capacity, the project team recognise what conditions are necessary to support a viable, commercial bus network in future.

Granton Waterfront

Early involvement with the Granton Waterfront team has allowed infrastructure for public transport to be considered from the outset and has led to a commitment to provide bus services from an early date. Like WETIP, there is a recognition that bus and tram must coexist to provide the necessary capacity and connections for the development to flourish.

Bus Partnership Fund

Alliances with local authorities have allowed data and idea exchanges across multiple disciplines to ensure bus priority is understood, considered as part of a total sustainable solution and can be easily implemented and managed when funding is secured.

LA3 Understand the ambition and support the delivery of Lothian's Net Zero 2035 plan:

[Driving towards Net Zero - Lothian Buses](#)

Work with us as we move towards alternative fuel sources.

Consider the implications of wider policy and planning decisions to assist with the transition to zero carbon vehicles, e.g. scoping out logistical requirements such as opportunity charging for electric buses.

TERM	MEANING
ALEO	Arm's Length External Organisation
ARC	Audit and Risk Committee
BC	Business Continuity
CAD-AVL	Computer Aided Dispatch – Automatic Vehicle Location
CE	Foundation level IT security certification
CE+	Highest level IT security certification
CEC	City of Edinburgh Council
CRM	Customer Relationship Management
DAS	Duty Allocation System
DD	Double Deck
DQM	Driver Quality Monitoring
DVSA	Driver and Vehicle Standards Agency
EURO 6	Vehicle emissions standard
EBT	Edinburgh Bus Tours
EV	Electric Vehicle
FACT	Vehicle Maintenance System
GPS	Global Positioning System
GTG	Glasgow Training Group
KPI	Key Performance Indicator
IP	Internet Protocol
ITSO	Interoperable Transport Scotland Organisation
LEZ	Low Emission Zone
LMC	Lothian Motorcoaches
m-ticket	Mobile Ticketing
MOT	Test to check vehicle roadworthiness
NSG	Network Support Grant
OpenHR	HR database for employee personal information
OR	Operational Risk
OTA	Online Travel Agent
PAYG	Pay as You Go
PMR	Private Managed Radio
ROSCO	Safe Driving Award
RRA	Route Risk Assessment
RTIS	Real-Time Information System
RTPI	Real-Time Passenger Information
ScotZEB 2	Scottish Zero Emission Bus Challenge Fund - Phase 2
SD	Single Deck
SMIP	Serious and Major Incident Procedure
SQA	Scottish Qualification Authority
SVQ	Scottish Vocational Qualification
TRIM	Trauma Risk Management
WCAG	Web Content Accessibility Guidelines
WETIP	West Edinburgh Transport Improvement Programme

