

Appendix 2 - Cost Comparison (First year of operation assumed to be 12 months)

Revenue - Annual (£)	Original Budget (June 07)			Updated Budget (Dec 07)			Difference	Notes
	Cost Reduction	Cost Increase	Net Costs	Cost Reduction	Cost Increase	Net Costs		
Local Bus Services								
Rural Contracts - proposed to be withdrawn	£497,628			£524,353				Increased contract costs of services proposed for withdrawal due to service re-tendering, service de-registrations and inflationary increase provides a greater level of saving from withdrawal of services.
Services (within withdrawn rural contracts) which should be retained to provide for education journeys		£263,000			£275,000			Increased contract costs for buying back services due to inflationary increase and high operational costs.
Provision of enhanced interurban services		£160,000			£99,450			Withdrawal of proposals to improve service 501 reduces expenditure on improving the core network. Through consultation is was deemed there is not sufficient potential patronage growth to warrant an hourly service on this corridor
On-bus revenue (Increase enhanced interurban improvements)	£17,100			£7,100				Reduced on-bus revenue due to withdrawal of proposals to improve service 501.
Existing CYPS Education recharge	£58,907			£0				Existing CYPS contribution should not have been identified as a cost reduction. E&E currently receives this payment to operate school services and will continue to do so under the RTS
Sub Total	£573,635	£423,000	£150,635	£531,453	£374,450	£157,003	£6,368	
New DRT Costs								
Cost of new DRT services		£451,425			£610,511			Cost increase through the tendering of the Shropshire Link services within the commercial market. Actual cost assumes Shropshire Link is operated by the Shropshire Transport Operations Group.
Savings associated with 49 Link / North Shropshire Link				£92,000				Under the RTS proposals operation of the 49 Link and the North Shropshire Link will be provided within the operation of the Shropshire Link services and ongoing community transport provision.
On-bus Revenue / Conc Fares reimbursement	£62,268			£62,268				Maintained
Education Contracts	£70,200			£127,714				Greater savings determined through identification of more expensive CYPS school contracts that can now be covered by the Shropshire Link areas of operation.
Sub Total	£132,468	£451,425	£318,957	£281,982	£610,511	£328,529	£9,572	
Call Centre Cost's								
Call Centre Cost's		£53,291			£0			Cost determined through competitive tendering of call centre function. Assumes SCC Customer Service Centre undertakes booking and co-ordination role. It is anticipated that this function can be undertaken within existing budget for the CSC
Sub Total	£0	£53,291	£53,291	£0	£0	£0	£53,291	
Marketing & Publicity								
Annual Marketing & Publicity		£5,000			£20,000			Through consultation it was determined that additional revenue would be required to undertake the level of marketing and publicity required to effectively promote the Shropshire Link and improved core network services
Sub Total	£0	£5,000	£5,000	£0	£20,000	£20,000	£15,000	
Ticket Machines								
Maintenance		£0			£0			Included within capital purchase cost for 3 years. Additional revenue will be required after this period to maintain ticket machines.
Sub Total	£0	£0	£0	£0	£0	£0	£0	
Drivers Uniforms								
Provision		£0			£3,000			Through consultation it was felt that the drivers should be distinguishable as Shropshire Link and the provision of a suitable uniform would enable this. On-going revenue cost allows for annual renewal and replacement.
Sub Total	£0	£0	£0	£0	£3,000	£3,000	£3,000	
Community Transport Savings								
Community Transport Savings	£60,000			£0	£0	£0		It has been determined that in order for community transport providers to continue reasonable levels of operation SCC will not be able to reduce the level of funding it provides below its historic base budget. This assumed saving can no longer be achieved.
Sub Total	£60,000	£0	£60,000	£0	£0	£0	£60,000	
Revenue Costs Total	£706,103	£932,716	£166,613	£813,435	£1,007,961	£194,526	£27,913	

Capital Costs (£)	Original Budget (June 07)			Updated Budget (Dec 07)			Difference	Notes
	Cost Reduction	Cost Increase	Net Costs	Cost Reduction	Cost Increase	Net Costs		
Local Bus Services								
Vehicles		(9x£64K)	£576,000		(10x £70K)	£700,000		Increased cost through competitive tendering for provision of vehicles and the requirement for an additional vehicle to provide a spare to cover servicing and maintenance.
Vehicles Branding			£0			£33,000		Branding of Shropshire Link vehicles.
Ticket Machine Equipment			£0			£35,000		Through consultation with local operators it was determined that SCC would be required to provide ticket machines in the Shropshire Link vehicles.
Journey optimisation - on-bus equipment			£765			£1,200		Increased cost after consultation with existing provider
Interchange Points								
Bus Stops (inc fitting)			£6,160			£6,160		
Bus Shelters (inc Fitting)			£50,517			£50,517		
Power & Lighting installation			£9,000			£9,000		
Capital Costs Total			£642,442			£834,877	£192,435	