

Arran Bus Service(s) - Update

Date of meeting 22 August 2025

Date of report 12 August 2025

Report by Head of Bus Strategy & Delivery

1. Object of report

To provide an update to the Committee on matters relating to local bus services on the island of Arran.

2. Background to report

As previously reported to the Committee¹ all registered local bus services and school transport on the island of Arran are commissioned by SPT and operated by Stagecoach Western. The services are scheduled to serve the local communities on the island, connecting with ferry departures and arrivals at Brodick where possible, and providing a Home to School Transport (HTS) service. The latter is funded by North Ayrshire Council (NAC) providing HTS to around 200 pupils serving six primary schools and one secondary school.

In June 2025, joint funding approval was granted by SPT and North Ayrshire Council for an award of contract to Stagecoach for the continued operation of local bus services on the island of Arran. The new contract commenced on 13 July 2025 until 12 July 2031 with a total contract value of £9,172,700. Additionally, the purchase of 12 buses by SPT, to be supplied by Stagecoach Western, at a total cost of £2,348,000, to be leased to the operator on a full repair and maintenance lease basis for the duration of contract, were also approved by SPT.

Members will recall that funding was previously sought by SPT² to replace the bus fleet on Arran with electric buses under the SCOTZEB2 scheme, however this application was ultimately rejected by Transport Scotland.

Given the impact of disruption to the ferry service between the island of Arran and the mainland, and the knock-on impact to local bus services on the island, SPT and NAC jointly wrote to Transport Scotland outlining our concerns. A copy of this letter is included in Appendix 1 for reference. A response from Transport Scotland, received on 4 July 2025, is also attached in Appendix 2.

3. Outline of proposals

As detailed in Appendix 1, the joint letter from SPT and NAC highlighted a number of specific concerns, including the following:

- Continued uncertainty over the future of the Ardrossan Harbour development.

¹ https://www.spt.co.uk/media/agmnc0lv/sp130625_agenda9.pdf

² https://www.spt.co.uk/media/3e4ffzyx/sp080923_agenda8.pdf

- Further delays in the completion of MV Glen Rosa.
- Delays and reliability concerns over legacy vessel MV Caledonian Isles.
- The impact of the above on ferry patronage, visitors to the island and the knock-on impacts to local bus service provision and costs to deliver.
- Challenges in relation to delivering timetables which proportionately accommodate ferry, school and island users.
- Uncertainty and concern over the future of the Arran ferry service and ability for transport operators to predict passenger numbers and revenues going forward.

The letter provides further context as below:

- Stagecoach Western, the only operator on the island, is seeking a further £201,383 per annum in subsidy support for the bus services on the island.
- In addition to this, the cost of replacing the 12 buses operating on the island is estimated c.£2.4 million. This does not include any costs associated with the decarbonisation of the fleet.
- The unintended consequences of the ongoing delays and uncertainty are now leading to financial pressures for which both organisations have no control over and may result in the withdrawal of other services. Transport Scotland were asked to urgently consider contributing to these costs during this period of uncertainty, to ensure adequate public transport provision continues to be delivered on the island, and elsewhere.

The response received from Transport Scotland acknowledges the funding pressures both SPT and NAC are facing. However, it also states that Transport Scotland are unable to contribute to either the revenue costs of operating the local bus services on Arran, or the capital costs of replacing the buses used for these services.

4. Committee action

The Committee is recommended to note the contents of this report and the steps taken by SPT and NAC to seek additional funding support for local bus services on the island of Arran, particularly given challenges faced linked to the operation of ferry services and the importance of local bus services to residents, visitors, school pupils and local businesses.

5. Consequences

Policy consequences	<i>None directly.</i>
Legal consequences	<i>None directly at this time.</i>
Financial consequences	<i>SPT will continue to have financial challenges as a result of increased revenue and capital costs required to support bus services on the island of Arran these will be covered for 2025/26 from within existing budgets.</i>
Personnel consequences	<i>None directly.</i>
Equalities consequences	<i>None directly.</i>
Risk consequences	<i>SPT will continue to face risks in terms of the financial sustainability of the supported bus services on the island of Arran.</i>

Climate Change, Adaptation & Carbon consequences *None directly.*

Name Gordon Dickson
Title **Head of Bus Strategy & Delivery**

Name Valerie Davidson
Title **Chief Executive**

For further information, please contact *Gordon Dickson, Head of Bus Strategy & Delivery* on *0141 887 3407*.



3 June 2025

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Transport Scotland
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Our ref: 06_2025_VD_CH
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Dear Chris

SPT has previously written to Transport Scotland outlining the unintended consequences arising from the ongoing Arran Ferry and Ardrossan harbour project which are being felt outwith Transport Scotland, including significant ongoing uncertainty and spiralling costs in maintaining bus services on Arran. SPT and North Ayrshire Council (NAC) must again bring to your attention our joint concerns, including:

- Continued uncertainty over the future of the Ardrossan Harbour development.
- Further delays in the completion of MV Glen Rosa
- Delays and reliability concerns over legacy vessel MV Caledonian Isles
- The impact of the above on ferry patronage, visitors to the island and the knock-on impacts to local bus service provision and costs to deliver
- Challenges in relation to delivering timetables which proportionately accommodate ferry, school and island users
- Uncertainty and concern over the future of the Arran ferry service and ability for transport operators to predict passenger numbers and revenues going forward.

In addition to the above, you will be aware that SPT and North Ayrshire Council (NAC) jointly support the local bus services on the island connecting 6 primary schools, one secondary school, providing local links for residents and visitors and connecting with ferry arrivals and departures, where possible. The current cost of subsidising these local bus services is £1,346,995 per annum under the contract which ends in July 2025. In addition, the 12 buses utilised on the route were purchased in 2015 at a cost of £1.5 million and are now approaching end of operational life. SPT advertised tender(s) in 2024 in relation to these services and to replace the buses on the island.

Given the above, SPT and NAC are now facing significant contract cost increases, which are directly attributable to the difficulties in relation to the ferry service. To put this in context, Stagecoach Western, the only operator on the island, is seeking a further £201,383 per annum in subsidy support for the bus services on the island. In addition to this, the cost of replacing the 12 buses operating on the island is estimated c£2.4 million. This does not include any costs associated with the decarbonisation of the fleet.

The unintended consequences of the ongoing delays and uncertainty are now leading to financial pressures for which both organisations have no control over and may result in the withdrawal of other services as a result. We urgently request Transport Scotland considers contributing to these costs during this period of uncertainty, to ensure adequate public transport provision continues to be delivered on the island, and elsewhere.



I look forward to hearing from you and would welcome a meeting to discuss our concerns at the earliest opportunity.

Yours sincerely

Valerie Davidson
Chief Executive, SPT

Craig Hatton
Chief Executive, North Ayrshire Council

Interim Director of Ferries Directorate

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and
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Your ref:
VD/CH

Our ref:
A53096828

Date:
4 July 2025

Dear Valerie and Craig,

Thank you for your joint letter of 3 June 2025 raising a number of concerns relating to the Ardrossan Harbour Redevelopment Project, the MV Glen Rosa, the delay to the MV Caledonian Isles and the ongoing financial impacts on bus services. I apologise for the delay in responding.

Firstly I would like to acknowledge the ongoing positive, collaborative working relationship between, Transport Scotland, CalMac, SPT and Stagecoach officials in regards to the development of the Arran timetables to align the bus and ferry services, where practicable. I know that my team has been engaging locally on this matter, as have CalMac at various points.

The recent goodwill of bus drivers on Arran is also recognised in supporting the temporary bus service, which we understand will revert back to the standard bus timetable upon the return of the MV Caledonian Isles.

We understand the delay in the return of MV Caledonian Isles service has been disappointing for island residents, businesses and communities. It remains the intention that she will return to service, operating between Ardrossan and Brodick with the MV Glen Sannox operating from Troon-Brodick. Both vessels when it operation will support the capacity and demand across the route during the busy Summer period. This will increase the frequency of services to and from Brodick.

The Ardrossan/Troon to Brodick two port operation has been agreed by Scottish Ministers in response to the strong representation from the community on Arran. This does come at a considerable additional financial cost to Transport Scotland through the Calmac contract.

It has been confirmed that the complexities of the three-party funding model rendered the project undeliverable. As a result, a potential port purchase is now being explored as a means to unlock future investment in Ardrossan Harbour. This is currently being progressed by CMAL on behalf of Scottish Ministers and an outcome is awaited.

Turning to the point on funding, given the current fiscal challenges, and though we acknowledge both SPT and NAC are also experiencing funding pressures, Transport Scotland and the Scottish Government are currently unable to provide any additional funding to support the bus

contract on Arran or additional capital in relation to the vehicle replacement highlighted in your letter.

As noted above, we are allocating substantial funding to maintaining the frequency of service, through the two port operation on return of the MV Caledonian Isles and through the charter of the MV Alfred to support services on the route.

If helpful, I'd be happy to meet with SPT and NAC to provide an update on the current status of the Ardrossan redevelopment project, including the interim ferry operations expected prior to the commencement of works. This may be helpful in planning for services across that period (Craig will already be aware of much of this).

If you would like this meeting, please let us know and we will look to get something arranged.



Chris Wilcock