

Bath & North East Somerset Council

MEETING:	Cabinet	
MEETING DATE:	13TH February 2013	EXECUTIVE FORWARD PLAN REFERENCE: E 2470
TITLE:	Award of new contracts following tender for supported bus services	
WARD:	All	
AN OPEN PUBLIC ITEM LIKELY TO BE TAKEN IN EXEMPT SESSION		
List of attachments to this report: Appendix A – Schedule of tenders received and recommended awards (exempt) Appendix B – Pre Tender Consultation - Schedule of responses received Appendix C – Post tender Consultation - Schedule of responses received		

1. THE ISSUE

- 1.1. To agree the award of contracts for supported public transport services, including Bath city daytime services, evening, Sunday and rural services.

2. RECOMMENDATION

The Cabinet is asked:

- 2.1. To agree that Appendix A is an exempt item and is not for publication, by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.
- 2.2. To note the tender prices received as set out in Appendix A, and to agree the award of contracts as recommended in 5.6 below.
- 2.3. To confirm the continued support for enhanced frequency on service 6/7 to Larkhall and Fairfield Park as recommended in 5.7 below.
- 2.4. To confirm the changes to contract services as set out at 5.8 below.

3. FINANCIAL IMPLICATIONS

- 3.1. The net total budget for public transport services in 2013/14 is proposed to be £868.6k. This is a reduction of £108k from the 2012/13 budget of £976.6k. The reduction is part of the Medium Term Service and Resource Plan for the Place Directorate. This reduction can be proposed as a direct result of a successful tender round and contract negotiations with operators, without any impact on the level of service provided.
- 3.2. A large part of the cost reductions necessary to deliver this saving were secured by award of contracts as detailed in the Cabinet Member decision reference E2504 published on 14th December 2012.
- 3.3. The contract awards and service changes detailed in sections 5.6-5.8 below, in conjunction with the earlier contract awards, enable the 2013/14 budget to be met, with a small provision to allow for service changes during the year and any volatility in passenger revenues on gross cost contracts.
- 3.4. The recommended awards are based on the most economic and effective application of Council funds, including compliance with quality criteria.

4. CORPORATE PRIORITIES

The Council objectives include:

- Promoting independence and positive lives for everyone
- Creating neighbourhoods where people are proud to live, and
- Building a stronger economy

The proposals secure public transport services that would not otherwise be available on a commercial basis and improve the accessibility and timetable of key daytime services in Bath. This improves access to essential services, facilities, and employment opportunities for our residents. Older people, who may have less access to private transport, are the most likely to benefit from these improvements in vehicle quality.

By providing these services our residents can participate more fully in all aspects of the local economy, supporting businesses and their employees. These services reduce car journeys, reduce traffic congestion, and help improve air quality. These proposals help make Bath & North East Somerset an even better place to live, work, and visit.

5. THE REPORT

- 5.1. The Council undertook a tender round for contracts expiring in March 2013. The contracts in this tender round have a current value of £385k, representing nearly one third of the total spend on supported services in Bath and North East Somerset.
- 5.2. From the tenders received, the Council would have achieved savings of £108k per annum if contracts were replaced on a like for like basis from April 2013. The saving made is a contribution towards the overall financial efficiencies the Council is aiming to achieve in 2013/14. A significant element of these savings were secured by award of contracts as detailed in the Cabinet Member decision reference E2504 published on 14th December 2012

- 5.3. It was recognised, however, that a number of service improvements should be considered before awarding all the contracts. The additional cost of these service improvements can only be met from within existing budgets, as adjusted by the savings contribution noted at 5.2 above.
- 5.4. A further consultation exercise was carried therefore out (see section 10 below), seeking responses as to the desirability of the service improvements considered. The consultation also asked for views on potential service reductions that could free up resources to fund the improvements under consideration; taking account of the levels of usage and cost of the services, and considering whether alternatives for travel may exist. To enable this process to take place operators were asked to agree that some tender awards would be deferred until after the Cabinet meeting.
- 5.5. The Council received a significant and welcome response to the consultation from a wide cross section of representatives, stakeholders, members of the public, and operators. The response from operators included changes to commercial services that avoided some of the potential costs included in the consultation; and proposals for tendered services that reduced the costs of existing contracted services. After consideration of the issues raised in the responses the Council is able to complete the award of contracts as follows.
- 5.6. It is proposed that tenders be awarded as follows:
 - 5.6.1. A contract for the Mon-Sat journeys on service 700/716/734 serving Sion Hill, Locksbrook Road and Bathwick shall be awarded to CT Coaches on a gross cost basis on a long term contract requiring the use of a low floor accessible minibus. The service will be extended to operate along Cleveland Walk and the lower part of Bathwick Hill.
 - 5.6.2. A contract for the Mon-Sat journeys on service 12 serving Haycombe Cemetery, Dartmouth Avenue, and Oldfield Park shall be awarded to Wessex on a net subsidy basis on a long term contract requiring the use of a low floor accessible bus, with the service extended to cover morning and afternoon peak hours.
 - 5.6.3. A contract for the existing timetable of Mon-Sat evening journeys on service 179 between Bath, Timsbury and Midsomer Norton shall be awarded to Wessex on a net subsidy basis.
 - 5.6.4. A contract for the existing timetable of Sunday evening journeys on service 179 between Bath, Timsbury and Midsomer Norton shall be awarded to First on a net subsidy basis
 - 5.6.5. A contract for the existing timetable of Mon-Sat late evening journeys on service 14A between Upper Weston, Bath and Odd Down shall be awarded to First on a gross cost basis.
 - 5.6.6. A short term contract for the Wednesday only service 683 between Keynsham and Wells shall be awarded to Bugler Coaches on a net subsidy basis.

- 5.7. Separately from the tender round, the Council will provide de minimis support for the enhanced 30 minute frequency operated by First on services 6/7 to Larkhall and Fairfield Park during 2013/14.
- 5.8. Support for some services will, however, be reduced to fund the improvements in services at 5.6 and 5.7 above. In particular:
- 5.8.1. A contract will not be awarded for service 12 (Haycombe) on Sundays due to the relatively low patronage and high costs of the service. The service will cease from 23rd March 2013.
 - 5.8.2. The 791 Wednesday only service between Bath and Weston Super Mare will be operated commercially with effect from the 24th March 2013. The operator has advised that minor changes to route and timing may result but no contract for financial support is therefore required.
 - 5.8.3. From 23rd March 2013 the contract for the existing 338 (Bath- Keynsham - Bristol) late evening service will be amended to provide support for a departure at 23:00 ex Bath (Mon-Sat), and a departure at 23:30 ex Bristol (Mon-Sat). The services departing Bath and Bristol at 23:00 on Sundays will both operate as commercial 339 services, omitting Keynsham Park estate, in line with Sunday daytime services.
 - 5.8.4. The Council will give notice on the existing contract for the 672 (Bristol - Chew - Blagdon) 18:10 (Mon-Sat) departure operated by Eurotaxi, and seek alternative prices for replacement by bus or taxi on at least a Mon-Fri basis. This recognises the very high costs of the existing service, but also the important part the service plays in providing links for rural communities.

6. RISK MANAGEMENT

- 6.1. The report author and Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance.
- 6.2. The number of bids per contract for evening and Sunday services was relatively low, and the Council remains vulnerable to bidders giving three months' notice on contracts and rebidding at higher prices.
- 6.3. Usage and revenue on services 6/7 will be monitored to identify whether further savings can be achieved as the increased frequency of operation helps to encourage increased usage of bus services in the Larkhall/Fairfield Park area.
- 6.4. There is a very limited contingency provision within the supported services budget to react to changes in the commercial bus networks. If there are service changes that require replacement by tendered services then further service reductions may be required.

7. EQUALITIES

- 7.1. An Equality Impact Assessment has been completed and will be published on the Council website. It is recognised that the withdrawal of any part of any service can have adverse impacts on individuals. It is considered that the service withdrawals of 5.8.1, 5.8.3 and 5.8.4 are justified on the basis of the

significant savings that result, affecting relatively small numbers of passengers. These savings are used to provide greater benefits for larger numbers of passengers and potential passengers as outlined in 5.6.1 and 5.6.2 above.

- 7.2. The introduction of low floor accessible vehicles onto two additional Monday-Saturday services is important progress in securing fully low floor operation for all services in B&NES, as these vehicles enable greater access to the bus network for elderly and disabled passengers.

8. RATIONALE

- 8.1. The award of contracts as specified in Appendix A and 5.6.1 and 5.6.2 above secures improvements in vehicle quality in advance of the deadlines set out in the Public Service Vehicle Accessibility Regulations 2000 that require wholly low floor bus operation by January 2016. The additional costs of these improvements are considered to be good value. A failure to introduce low floor vehicles could result in the cancellation of the services in the future.
- 8.2. The award of contracts as specified in Appendix A and 5.6.3 - 5.6.6 above also offers good value and the tender process has delivered competitive bids. The recommended awards secure cost savings for the Council in 2013/14.
- 8.3. The continuation of support for the enhanced frequency on service 6/7 as detailed in 5.7 above takes account of the increases in patronage generated so far by the improved frequency of service and the consequent reduction in cost to the Council. It is considered that there is further potential to increase usage of bus services in the area, and that this cost should diminish over time (see 6.3 above).
- 8.4. The Council has limited resources available and has considered carefully how to use those resources on supported services having consulted widely on potential service reductions. The contract awards of 5.6 above and service reductions of 5.8 above prioritise access to employment opportunities and essential services above social and leisure activities. The introduction of peak journeys on service 12 (5.6.2), the retention of late evening services to the RUH (5.6.4), and the continued commitment to links between rural communities and major centres (5.6.3 & 5.6.4, 5.8.8) all reflect this consideration of how support should be prioritised.

9. OTHER OPTIONS CONSIDERED

- 9.1. The option of not funding improvements in vehicle quality from April 2013 was considered, with the alternative being to award short term contracts using step entrance vehicles. This would defer vehicle improvements to 2014 at best, and potentially lead to a peak in additional costs at that time. This option was rejected because it was considered that the bids for contracts using low floor vehicles offered good value for money in 2013/14, and that these benefits should be secured for passengers at an earlier date.
- 9.2. Reductions or changes to a wide range of services were considered during the consultation exercise. Because of the changes to commercial services suggested by operators it was not necessary to implement larger withdrawals of service.

- 9.3. It was considered whether to upgrade the 683 service operating between Keynsham and Wells on Tuesdays only to operate with a low floor bus. This would have cost an additional £3,000 compared to the proposed award and was considered unaffordable at this time. This will be retendered again in the next financial year.

10. CONSULTATION

- 10.1. Consultees included Ward Councillors; Parish Councils; Other B&NES Services; Community Interest Groups; Stakeholders/Partners; Other Public Sector Bodies; the Section 151 Finance Officer; and the Monitoring Officer.
- 10.2. In June 2012, in advance of developing specifications for the tender round, details of the background to the tender, patronage levels, and subsidy costs were sent to all Ward councillors and Parish Councils that covered the areas through which the services operated, as well as local bus operators and other stakeholders.
- 10.3. The responses to this consultation process in respect of the current contract awards are summarised at Appendix B, together with a commentary on the responses.
- 10.4. Subsequent to the tender round it was recognised that the aspirations for improvement could only be funded if other services were reduced. In November 2012 therefore the Council undertook a fresh consultation exercise; writing again to Ward Councillors, Parishes and stakeholders. For each service where changes were envisaged the Council published online a separate briefing on each service, including patronage and survey data wherever available.
- 10.5. 136 responses to the consultation were submitted by elected members, Parish Councils, individuals, neighbouring authorities, user groups and other stakeholders. The responses are summarised at Appendix C. In particular the responses showed:
- 10.5.1. There was support found for the retention of service 1 with a 30 minute frequency, recognising that the development of the MOD Foxhill site would increase usage in the future
- 10.5.2. There was very strong support noted for the retention of the higher frequency of operation on services 6/7 (5.7 above)
- 10.5.3. There was very strong support noted for the retention of the evening 14A services (see 5.6.4 above), with concerns over access to city centre and use of the services by late staff and visitors to the RUH.
- 10.5.4. There was concern noted over the risk to links between Keynsham and Southmead Hospital and Kingswood if contributions ceased to contracts operated by neighboring authorities.
- 10.5.5. There was very strong support for the retention of the 665 service in Keynsham, particularly in view of the high proportion of elderly and disabled users who relied on the service for access to local shops and facilities.

10.5.6. There was very strong concern expressed about the future of the 18:10 departure from Bristol on service 672 (see 5.8.8 above). In particular this was considered an essential option for a number of people working in Bristol but travelling to rural areas.

11. ISSUES TO CONSIDER IN REACHING THE DECISION

11.1. Sustainability; Customer Focus; Social Inclusion; Young People

12. ADVICE SOUGHT

12.1. The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

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Background papers	E2504 Award of new contracts following tender for supported bus services Consultation on Bus revenue Support: www.bathnes.gov.uk/supportedbusconsultation
Please contact the report author if you need to access this report in an alternative format	