

# Bath & North East Somerset Council

MEETING	<b>Cabinet</b>	
MEETING	<b>14<sup>th</sup> May 2014</b>	EXECUTIVE FORWARD PLAN REFERENCE:
		<b>E 2643</b>
TITLE:	<b>Award of Contracts for Supported Bus Services</b>	
WARD:	All	
<b>AN OPEN PUBLIC ITEM WITH EXEMPT MATERIAL</b>		
<b>List of attachments to this report:</b> Appendix A – Schedule of tenders received and recommended awards (exempt) Appendix B – Shopper Service Consultation - Schedule of responses received Appendix C – Pre Tender Consultation - Schedule of responses received		

## 1 THE ISSUE

- 1.1 To agree the award of contracts for supported public transport services operating in rural parts of Bath & North East Somerset.

## 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- 2.1 To agree that Appendix A is an exempt item and is not for publication, by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.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 confirm the changes to contract services as set out at 5.9 below.
- 2.3 To note the tender prices received as set out in Appendix A, and to agree the award of contracts as recommended in 5.10 below.

## 3 RESOURCE IMPLICATIONS

- 3.1 The net total budget for public transport services in 2014/15 is £956k. Included in this total are a number of contracts with a net annual value of £217,601 that expire in August 2014.
- 3.2 The service changes and contract awards detailed in sections 5.9 - 5.10 below incur a net annual cost of £196,917 and enable the 2014/15 budget to be met,
- 3.3 The changes occur part way through the year and the saving of £12,066 achieved in 2014/15 will be retained as a contingency in case of any further changes to the commercial bus network and to allow for any variation in

revenues on gross cost contracts where the Council is exposed to revenue risk on an increased number of services.

- 3.4 The recommended awards are based on the most economic and effective application of Council funds, including compliance with quality criteria.

#### **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

- 4.1 The duties of the Council in respect of provision of supported services derive from Section 63 of the Transport Act 1985 which states (63.1(a)):

“....it shall be the duty of the council to secure the provision of such public passenger transport services as the council consider it appropriate to secure to meet any public transport requirements within the area which would not in their view be met apart from any action taken by them for that purpose”

Section 63.5 of the Act allows the council to enter into agreements providing for service subsidies, but this power is exercisable only where the service in question would not be provided without subsidy.

- 4.2 There is therefore no statutory obligation on the Council to provide supported bus services and they are thus a discretionary item of spend. Where provided, however, supported services must not compete with commercially operated services.
- 4.3 Local bus services are a crucial lifeline for many people, and especially for those members of the community who are older, younger, disabled, seeking a job or on a low income. Where services cannot be provided by the commercial sector, the ability of the Council to retain support contracted services enables access to employment, retains links to retail and leisure activities, reduces car dependency and protects rural communities.
- 4.4 Surveys of passengers on the daytime bus services in this tender round indicate that two thirds of passengers are female, and that nearly 60% are aged 60 or over. These groups would be disproportionately vulnerable to reductions in supported bus services.

#### **5 THE REPORT**

- 5.1 The contracts expiring in August 2014 have a current value of £217,601, representing nearly one quarter of the total spend on supported services in Bath and North East Somerset.
- 5.2 A consultation exercise was carried out in June and July 2013 to help inform a review of the days of operation of the one day a week “shopper” services (see section 10 below) that are part of this group of contracts. The results of the shopper service consultation were included in a further consultation on the whole set of services included in the tender round.
- 5.3 There were relevant changes to commercial bus services that took place at the same time as the tender round. The First 379 service, which operated hourly between Bristol and Radstock, was extended to Bath and re-routed to serve Old Mills Tesco in Midsomer Norton. In consequence, this provides a much more

frequent bus service between Clutton and Radstock and Clutton and Bath, trips which are currently also provided by the tendered 768 service.

- 5.4 This increased commercial provision, and the obligation on the council not to provide bus services in direct competition with commercial services, gave an opportunity to review the route and timings of the 768 service, and this was included in the further consultation on the whole set of services included in the tender round.
- 5.5 Surveys were undertaken on the services, and the specifications for services were drawn up in the light of the consultation responses, survey data, and other information available to the Public Transport Team
- 5.6 The contract specifications developed as a result of this exercise included a number of options that operators were requested to price. These included the enhancement of services to low floor operation where appropriate, and costs for provision of a reduced level of service where demand was observed to be low.
- 5.7 Analysis of contract revenues and patronage was undertaken to forecast future revenues and enable evaluation of gross cost bids. In all cases bidders were required to tender on a gross cost (revenue paid to the authority) and net subsidy basis (revenue retained by the operator) for each contract bid.
- 5.8 Tender documents were published on 6<sup>th</sup> December 2013, and responses required by 21<sup>st</sup> January 2014. A total of 7 operators tendered for one or more contracts each. The average number of bids per contract was 2.2, in line with the national average for bids per contract for supported services.
- 5.9 It is proposed that services shall be amended as follows:
  - 5.9.1 Service 668 (Midsomer Norton – Keynsham – Bristol). The day of operation is moved to Monday instead of Tuesday. The Tuesday journey on service 636 (Whitchurch – Keynsham) which is part of the same contract is also moved to Monday.
  - 5.9.2 Service 757 (Combe Hay – Peasedown – Midsomer Norton). The service operates on Wednesday only but will no longer provide a return trip to Bath. The bus is used to provide an additional journey on service 636 instead.
  - 5.9.3 Service 768 (Clutton - Writhlington -Timsbury – Englishcombe – Bath) is amended to remove the section of route between Clutton and Midsomer Norton (5.9.4 below refers). The service continues from Midsomer Norton to terminate at Farrington Gurney.
  - 5.9.4 Service 185 (Thursdays) will be extended to start at Clutton and service 754 (Mondays) will be re-routed through the centre of Clutton village. These measures will provide an alternative facility on two days a week for passengers who currently use service 768 from the eastern part of Clutton.
- 5.10 On the basis of the bids received (see Appendix A) it is proposed that contracts shall be awarded as follows:

- 5.10.1 A five year contract to operate service 672 (Blagdon – Chew – Bristol) during the daytime (Monday – Saturday) will be awarded to Bugler Coaches on a gross cost basis.
- 5.10.2 A five year contract to operate the service 672 (Bristol – Chew – Blagdon) 1810 departure from Bristol (Monday – Saturday) will be awarded to Bugler Coaches on a gross cost basis
- 5.10.3 A five year contract to operate service 768 (Farrington Gurney - Writhlington -Timsbury – Englishcombe – Bath) on Monday-Saturday will be awarded to Citistar on a net subsidy basis
- 5.10.4 A five year contract to operate late evening services 267 between Bath and Frome will be awarded to First on a net subsidy basis
- 5.10.5 A five year contract will be awarded to Somerbus to operate the following shopper services on a net subsidy basis
  - 5.10.5.1 Service 668 (Midsomer Norton – Keynsham – Bristol) and service 636 (Whitchurch – Keynsham) on Monday only
  - 5.10.5.2 Service 683 (Keynsham – Wells) on Tuesday only
  - 5.10.5.3 Service 757 (Combe Hay – Old Mills Tesco) and service 636 (Whitchurch – Keynsham) on Wednesday only
  - 5.10.5.4 Service 185 (Clutton - Paulton - Trowbridge) on Thursday only, and
  - 5.10.5.5 Service 640 (Bishop Sutton – Keynsham) and service 636 (Whitchurch - Keynsham) on Friday only
- 5.10.6 The following services will be operated by the Bath & North East Somerset Council in-house fleet utilising vehicles that are primarily used for home-school transport.
  - 5.10.6.1 Service 754 (Hinton Blewett – Clutton - Radstock) on Mondays only
  - 5.10.6.2 Service 752 (Hinton Blewett – Chew Magna - Corston- Bath) on Wednesdays only

5.11 The projected annual cost of the above awards is £196,917. This represents an annual saving of £20,684 compared to the current costs of the services of which £12,066 is achieved within 2014/15. This is retained as a contingency against further changes in the commercial bus network and to allow for any variation in the revenue achieved by gross cost contracts.

## 6 RATIONALE

6.1 The current days of operation of shopper services require more vehicles to be available on Tuesdays than other days of the week. The change to the current day of operation of service 668 detailed at 5.9.1 above allows better utilisation of a suitable sized vehicle, and therefore attracts better value bids from operators.

- 6.2 The reduction of service between Combe Hay and Bath on service 757 detailed at 5.9.2 above has arisen because of the low usage of this service. The time saved is used to provide an additional journey between Whitchurch and Keynsham on the popular service 636, further offering a longer duration stay in Keynsham as requested during the consultation. Residents of Wellow have access to the Community Bus, which operates regular services to Bath for its members, and the Shoscombe / Combe Hay / South Stoke FareCar service on 4 days per week.
- 6.3 The adoption of the revised timetable for service 768 detailed at 5.9.3 above allows the service to operate a standard daily timetable and does not require the additional vehicle that currently provides additional services on Tuesdays and Thursdays only.

The service to Bath from Clandown, Camerton, Timsbury and Englishcombe is currently restricted except on Tuesdays and Thursdays. An improved service to Bath from these villages under the new timetable will operate six days a week.

The new service will further provide 5 trips each day between Writhlington and Bath whereas currently only four trips per day operate, except on Tuesdays and Thursdays.

The new service will provide a regular Monday-Saturday daytime off-peak return journey between Farrington Gurney and Bath, a journey that is currently only possible by changing buses in Bristol.

There will, however, be a loss of some direct links to Paulton Hospital, although this will be accessible by changing to frequent 82/178/379 services at Old Mills Tesco. In some cases community transport may be a better option for door-to-door transport to the hospital and the SWAN Advice Network Volunteer Transport Scheme already provides such transport for a number of clients in the area.

Some residents of Clutton village may find the 379 service stops on the A37 more remote from their homes than the 768 service that stops in the centre of the village. The changes to services 185 and 754 (5.9.4 above) will retain a facility from the Station Road area of Clutton to Midsomer Norton and Radstock on Mondays and Thursdays.

On balance the benefits of the new link to Farrington Gurney and improved journey opportunities for large sections of the route are considered to outweigh the reductions in some aspects of the service. The new timetable operating at the same times each day is expected to be easier for passengers to remember, and there is a significant financial saving from no longer needing to contract additional services on Tuesdays and Thursdays.

## **7 OTHER OPTIONS CONSIDERED**

- 7.1 Consideration has been given to retaining the existing timetable of 768 services, but it is considered inevitable that the re-routing of the more frequent 379 service between Clutton and Midsomer Norton Tesco and Bath will reduce patronage on the 768 service.

- 7.2 A reduced timetable was considered for the evening 267 service featuring withdrawal of the last bus from Bath to Frome at 2310. This service is largely used by residents of Somerset, but there would be only a small financial saving and therefore the current timetable of services is retained.

## 8 CONSULTATION

- 8.1 In June 2013, in advance of developing specifications for the tender round, details of the one day a week “shopper” services were sent to all Ward councillors and Parish Councils, as well as local bus operators and other stakeholders.
- 8.2 The consultation asked for views on the appropriate days of the week for operation of the services. Surveys were also undertaken of passengers using these services. The responses are summarised at Appendix B, together with data on patronage levels of the services.
- 8.3 Most users were happy with the existing days of week that services operated. The consultation responses did, however, include some recognition that the Council needed to be cost effective in its support for tendered bus services. Changes to operating days of certain services were therefore incorporated in the main consultation on the tender round in October 2013
- 8.4 In October 2013 in advance of developing specifications for the tender round, details of the background to the tender, service specific proposals, patronage levels, and subsidy costs were sent to all Ward councillors and Parish Councils for the areas through which the services operated, as well as local bus operators and other stakeholders.
- 8.5 The responses to this consultation process in respect of the current contract awards are summarised at Appendix C, together with a commentary on the responses.

## 9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.
- 9.2 The award of gross cost contracts increases the revenue risk borne by the Council. This risk is taken, however, on established contract services that have a stable pattern of usage. Service revenues are monitored throughout the year to identify any adverse trends at an early stage and to enable corrective action to be taken. A contingency is maintained to protect against loss of revenue in the future.

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<b>Background papers</b>	
<b>Please contact the report author if you need to access this report in an alternative format</b>	