

Cabinet Meeting Resolution

**Executive
Forward Plan
Reference**

E3357

Park and Ride Contract Renewal

Date of Meeting	5-May-22
The Issue	To consider the preferred operational options to be supported within the new Park and Ride contract specification.
The decision	<p>(1) To note the assessment of the tender returns as set out within Exempt Appendix 1 of the report.</p> <p>(2) To consider fully the charging options as part of the contract award process and give delegation to the Director of Place Management to agree with the West of England Combined Authority (WECA) to;</p> <p style="padding-left: 40px;">Award the contract to the preferred bidder on a gross cost basis with the following contract specification but with a clear understanding of sustained service improvements as patronage increases:</p> <p style="padding-left: 40px;">a) At commencement of the contract fares to be set at £3.60 per return adult fare on all days (rather than £3.60 Monday-Friday and £3.00 weekends as set currently);</p> <p style="padding-left: 40px;">b) All group ticket options currently available to be maintained and;</p> <p style="padding-left: 40px;">c) At commencement of the contract that the hours of operation to match the current service provision.</p> <p>(3) To agree that the service financial model will be reviewed at 6 monthly intervals to compare the actual income against the model and, subject to income levels reaching necessary gateway levels;</p> <p style="padding-left: 40px;">a) Invest the additional income in increased service provision such as extended hours of operation and/or;</p> <p style="padding-left: 40px;">b) Reduce the fares charged for the Park & Ride service and/or;</p> <p style="padding-left: 40px;">c) Invest in improvements on the Park & Ride sites to improve the customer experience.</p> <p>(4) To note the additional costs for the service against the agreed Council budget for the service and the mitigation plan as set out within 5.10 of the report and approve the establishment of a P&R smoothing reserve to manage the income risk whilst patronage returns to pre-Covid levels.</p> <p>(5) To delegate the authority to the Director of Place Management</p>

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in consultation with the Cabinet Member for Transport to implement a parking charge on the Park & Ride site for any users as agreed to offset the increased costs of the operation of the sites and the bus service and ensure that the service remains viable in the long term.

Rationale for decision

The current Park and Ride contract was signed by Bath and North East Somerset Council in 2012. The terms of the contract were advantageous to the Council in providing both a guaranteed, index linked net income and allowed all concessionary fares income reimbursement to be retained by the Council.

Demand for the Park and Ride Service is seasonal, variable and affected by a number of issues. For example, significant periods of inclement weather and heavy snow leads to a reduction of the number of passengers and the number of buses being able to operate the services whereas Seasonal events such as the Bath Christmas Market and Bath Half Marathon increase patronage.

Historic use of the Park and Ride service has been strong although overall numbers of trips have reduced slightly, mainly linked to the national increase in age qualification for a concessionary fare pass:

However, due to the Covid 19 Pandemic and the changes to the working and leisure patterns as a result, passenger numbers on the services are currently at 78% of 2019-20 levels. This change in usage has had a significant operational impact on the service and the income generated from fares, although noting that service levels (or numbers of buses running) also dropped during the pandemic reducing costs for the operator.

The pandemic has also had a significant effect on the national bus market, reducing patronage and resulting in the need for Central Government grants to ensure service continuity, with around £2 billion made available to over 160 operators nationally. This has affected the levels of risk that operators are willing to accept on contracts and has clearly influenced the prices received for the tender.

Despite the current usage being below the historical trends the overall long-term forecast for the service is considered to be positive. Demand is likely to grow because of a number of local, regional and national policy interventions and practical changes to the operation of the city from a sustainable transport perspective.

The English National Concessionary Travel Scheme (ENCTS) currently consists of guaranteed free travel for people over state pension age and people with an eligible disability on all eligible local bus services anywhere in England from 0930 until 2300 on weekdays and all day at weekends and on Bank Holidays.

Approximately 33% of journeys made on the Park and Ride service

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are made by holders of concessionary travel passes (i.e. elderly and disabled). All passengers who use a concessionary travel pass do not make payment. However, the Council is able to recover the cost.

The average annual decline in concessionary fare journeys consumed over the period 2014-15 to 2019-20 (excluding March 2020) was 2.1% for the WECA area. This trend was forecast to continue over time due to the age of eligibility increasing from 60 to 65. However, the Covid pandemic has made like for like comparisons for 2020-21 and 2021-22 impossible.

One of the fundamental principles of ENCTS is that it should be cost-neutral for bus operators (or in the case of the Park and Ride Service for the Council). The general principle is that operators should be “no better and no worse off”.

To offset the costs of the service it is proposed to further examine the options to implement parking charges for some site users who do not use the bus service or alternatively all bus users as is currently in place in Oxford Park & Ride service. Whilst this model is significantly different to the current model, it does ensure that all users of the service contribute to the running costs of the sites. As the use for each space, particularly at peak times such as the summer period and the Christmas Market period, is a potential fare income under the gross cost contract offer the use of the spaces should be considered fully.

All contracts issued for bus services by the West of England Combined Authority include all standard clauses including for termination if deemed necessary. However, this option would only be considered in light of significant variation to the usage of the service or other unforeseen circumstances.

Other options considered

To not award the contract - This option was dismissed as the provision on the Park & Ride service is considered an important part of the overall transport strategy of the Council, whilst recognising that the provision of services may act as an attractor to cars thus abstracting some passengers from scheduled bus services. However, this is deemed to be low numbers overall as many car users would simply drive into the city centre to park.

The Decision is subject to Call-In within 5 working days of publication of the decision