

<b>Subject:</b>	<b>Permission to tender for supported bus network</b>		
<b>Date of Meeting:</b>	<b>Environment Transport and Sustainability CMM 4 October 2011 (Item 38) ECSOSC 31 October 2011</b>		
<b>Report of:</b>	<b>Strategic Director, Place</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Nick Mitchell</b>	<b>Tel: 29-2481</b>
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<b>Key Decision:</b>	<b>No</b>		
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

***This CMM report, plus the consultation responses (Appendix 3) is being presented with a verbal update to ECSOSC, for information.***

**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 Under the 1985 Transport Act, local authorities are empowered to contract with bus operators for the provision of bus services which meet the needs of the general public, but which are not provided commercially.
- 1.2 The current batch of contracts was let following an Area Network Review carried out during 2007/8. These contracts expire in September 2012 and due to the value of the contracts, if they are retendered, the process will be governed by the EU procurement rules.
- 1.3 The purpose of this report is to seek Cabinet Member approval to go out to competitive tender for the supported bus network contracts to commence in September 2012. This tendering exercise follows the Area Network Review in July & August 2011 which involved a full consultation process with elected members, user groups, and community groups and data assimilated from request made by members of the public.

**2. RECOMMENDATIONS:**

- 2.1 That the Cabinet Member for Transport & Public Realm authorises the competitive tendering process to begin based on the proposed routes contained in Appendix 2.
- 2.2 That a report be brought to a future Environment, Transport & Sustainability Cabinet Members Meeting for consideration once tenders from prospective contractors have been analysed and recommendations for the future Supported Local Bus Network have been formulated.

### **3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

3.1 Using powers under the Transport Act 1985, the City Council contracts with bus operators, following a competitive tendering exercise, for the provision of bus services which are necessary to meet the needs of the community, but which are not provided commercially. The current batch of contracts was let in September 2008, and expires in September 2012.

3.2 The current supported bus network comprises of a number of complete routes and the extension of some commercial routes to operate during the evening or at weekends, and some diversions of commercial routes to serve particular communities. This includes services:

<b>Route</b>	<b>Route description</b>
16/66	Mon – Sat. Portslade – Knoll Estate – Hangleton – Sainsbury (66 only)
21	Mon - Sat eves. Brighton Station - Marina
47	Mon - Sat. Brighton Station - East Saltdean
52	Mon - Sat. Woodingdean -Brighton Station/ Cardinal Newman School
56	Mon - Sat. Knoll Estate - Patcham
57	Suns & Public Holidays. Brighton Station - East Saltdean
37B	Mon - Sat. Bristol Estate - Kemp Town - City Centre - Meadowview
74	School Days only. Lewes Road - Patcham High School
75	School Days only. Lewes Road - Patcham High School
76	School Days only. Saltdean Vale - Longhill School
76A	School Days only. Peacehaven - Longhill School
81	Mon - Sat eves. Old Steine - Goldstone Valley
81A	Mon - Sat eves. Brighton Station - Meadowview
81A	Suns & Public Holidays. Brighton Station - Meadowview
81B	Suns & Public Holidays. Old Steine - Goldstone Valley
95	School Days only. Burwash Road - Cardinal Newman School
95A	School Days only. Foredown Drive - Cardinal Newman School
96	School Days only. Carden Avenue - Blatchington Mill & Hove Park Lower Schools
91	School Days only. Coombe Road - Hollingdean - Cardinal Newman School

- 3.3 The proposal to let new contracts in 2012 follows an “Area Network Review” by the City Council. This consisted of the consultation process outlined below, together with a detailed analysis of the current commercial network, to identify any missing links or new services. At the same time a review was undertaken of those requests made by passengers for changes to routes, timetables and times of operation.
- 3.4 A proposed timetable for the process from consultation & Area Network Review through pre qualification questionnaire, tendering, contract awarding & start of contracts is shown in appendix 1.

#### **4. COMMUNITY ENGAGEMENT AND CONSULTATION**

- 4.1 The City Council’s Public Transport Team maintains a database of consultees on matters relating to public transport. There are 380 entries on this list, comprising resident’s associations, community groups, affinity groups, ward councillors, MPs, and user groups. The input from these groups has been sought to inform the Area Network Review. The consultation period lasted from 20 July 2011 to 09 September 2011.
- 4.2 The City Council has received responses from around 100 individuals to the consultation document and these responses have informed the Area Network Review. The comments in the consultation replies, which were received by e-mail, telephone and by council officers at public meetings, were extremely varied, with reference made both to individual bus services and on the supported bus network as a whole. The consultation responses are held in the Documents in Members’ Rooms.
- 4.3 The Council has an adopted methodology that is then applied to the current supported network and any requests for new routes. This methodology consists of a weighted scoring criteria to help ensure that supported bus routes meet the needs of the user and provide best value to the Council and the wider community.
- 4.4 The methodology contains a range of criteria including historic services, cost per passenger, journey purpose, external funding used and interchange points on route. The scoring methodology sheet & criteria used are attached in appendix 2.
- 4.5 The City Council has liaised with all commercial bus operators serving the City, in order to ensure that the supported bus network supplements and enhances the commercial network, to provide the best possible journey options for residents and visitors and to ensure the Council does not duplicate or support any commercially viable routes.
- 4.6 Next steps.

It is proposed that the tenders will go out in November 2011 and be returned in early January 2012. We will make clear in the contract documentation that the outcome of the tendering process is dependent on the council having the necessary resources to support all or any of the proposed routes, and that the invitation to tender does not guarantee that contracts will be let. The tender prices will then be analysed and evaluated in January 2012. Once the tenders have been

assessed the options for awarding contracts will be brought forward to a future Cabinet Member Meeting in March 2012 for consideration. Any future considerations on what routes are supported by the Council will need to be mindful of budget constraints. Contract award letters will be issued once final decisions have been taken. The new contracts will start in September 2012.

## **5. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 5.1 The costs of preparing the Area Network Review have been met out of existing Public Transport revenue budgets. The extent of any future Supported Bus Network will be totally dependent upon the revenue budget available at the time. A further report will be brought to Cabinet Members Meeting for approval after the completed tenders have been analysed and officers' recommendations made, based on ranking the services by importance in a number of categories.

*Finance Officer Consulted: Karen Brookshaw Date: 16/09/11*

### Legal Implications:

- 5.2 Under section 63 of the Transport Act 1985, the Council has a duty to provide subsidised bus services in part or parts of its areas where there are no commercial services *and* where it thinks it appropriate for such services to be provided. Services are tendered and let to commercial operators in return for payment from the Council. The powers of local authorities to subsidise public passenger transport services are subject to detailed tendering provisions laid down in the 1985 Act, Regulations made under the 1985 Act, and (where contracts exceed specified thresholds) in the EU procurement rules.
- 5.3 In deciding which services to provide, the Council is required to have regard to the transport needs of members of the public who are elderly or disabled; and when entering into agreements for bus subsidies, to have regard to the interests of the public and of persons providing public passenger services in the Brighton & Hove area. Due consideration of these factors would be required before any decision to amend or withdraw subsidised services.

*Lawyer Consulted: Elizabeth Culbert Date: 19/09/11*

### Equalities Implications:

- 5.4 The City Council's consultation database includes representatives of minority communities, to ensure that the needs of these communities are taken into account in planning the future supported bus network. The City Council's contracts specify that vehicles must be wheelchair accessible, in support of the City Council's Equalities Policies, and the City Council's obligations under the Disability Discrimination Act and the Equalities Act 2010.

### Sustainability Implications:

- 5.5 The City Council's contract documents specify minimum exhaust emission standards for vehicles. For the current contracts the minimum specified is EURO

3. For the new contracts the anticipated minimum exhaust emission standards will be EURO 4 (or equivalent), in support of the City Council's Air Quality Action Plan. The emissions from engines run on recycled cooking oil are below the limits set for Euro 4 engines or equivalent.

Crime & Disorder Implications:

- 5.6 It is not considered that there are any Crime & Disorder implications associated with the proposed competitive tendering exercise.

Risk and Opportunity Management Implications:

- 5.7 It is considered that there is a Risk that the City Council will not be able to let all the contracts that are tendered due to the high rise in fuel costs since the contracts were last put out to tender in September 2008.

Public Health Implications:

- 5.8 It is not considered that there are any Public Health implications associated with the proposed competitive tendering exercise.

Corporate / Citywide Implications:

- 5.9 The consultation exercise was citywide, and will inform the future corporate strategy for the supported bus service network.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 The Council does not have an in-house bus fleet to support the requirements of operating the supported bus network. In order to set up such an operation there would need to be a full evaluation of the legal, practical and financial issues. It is possible, but unlikely, that such an arrangement could deliver a similarly priced service to that which the Council has been receiving through contracting. However it should be noted that this option would require the provision of significant capital investment, additional HR, finance and payroll support beyond the service itself. There would also be a need for more direct involvement in day to day management and staff management rather than monitoring of the contract as at present.

**7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 To ensure that a suitable supported bus network procured by competitive tendering is available throughout the City.
- 7.2 To secure the most cost effective supported bus network across the whole City.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Procurement timeline
2. Contract tenders scoring methodology & criteria (3 sheets in total)

### **Documents in Members' Rooms**

Consultation responses

### **Background Documents**

None