

Cabinet Report / Key Decision**Date: 19th June 2017**

Title: Bus Service 18	
Ward: Avonmouth & Lawrence Weston, Westbury on Trym & Henleaze, Southmead and Horfield	Cabinet lead: Councillor Asher Craig
Author: Nicola Phillips	Job title: Principal Transport Officer

Revenue Cost: £ 200,000 pa	Source of Revenue Funding: 10902 Supported Bus Services
Capital Cost: £N/A	Source of Capital Funding: N/A
One off <input type="checkbox"/>	Saving <input type="checkbox"/>
Ongoing <input checked="" type="checkbox"/>	Income generation <input type="checkbox"/>

Finance narrative:

This proposal seeks approval to award a 1 year contract (with a 6 month termination clause) to the highest scoring bidder. Please note the procurement process has not yet concluded and the highest scoring bidder at this stage is unknown, however it is anticipated that the contract value would be c£200k.

The supported bus budget is currently subject to a £900k reduction for the savings delivery over 17/18 and 18/19. A number of supported bus services had been retendered and new contracts will start from September 2017. However bus route 18 was not part of this initial retender exercise. Please note the anticipated new contract subsidies for this route (c£200k) is higher than the current subsidy to the current operator, however it is evidenced by the service team that this likely cost pressure can be absorbed within the 17/18 and 18/19 approved budget whilst ensuring the planned savings are still delivered.

All supported bus service contracts contain termination clause which gives the Council the flexibility in the future for future reviews.

Finance Officer: Tian Ze Hao – Finance Business Partner

Summary of issue / proposal: *To provide a bus service along the service 18 corridor from Avonmouth to Lyde Green working with South Gloucestershire Council.*

Summary of proposal & options appraisal:

- The majority of bus Services in Bristol are provided on a commercial basis by private bus companies. Bristol City Council provides support to a number of bus services in the city that supplement the commercial network with services that it considers to be socially necessary. These are fully supported services where the council pays for the full operation of the service; or partially supported services where the Council pays for certain journeys or extensions to the route. We refer to these services as supported services.
- Many of the supported services are orbital in nature or create links between communities that are not connected by arterial routes. As above, these routes are deemed as being socially necessary and without Council support, they would not otherwise be provided. The Council is given powers to procure socially necessary services under the Transport Act 1985 (and as amended).

Supported Bus Service Review

- Bristol City Council currently supports a number of bus services throughout the city. The contracts for these supported services expire on 2nd September 2017. With the current contracts coming to an end shortly a review process was conducted in 2016/17 to establish whether they are still fit for purpose.
- As part of the review process we carried out a consultation exercise and sought views from existing users of our supported services and the public's view on unmet access needs and opportunities for new connections.
- Following the consultation exercise and assessment of responses, we commenced the tendering process to re-tender a package of services. We tendered various options for our supported service to ensure that there would be the flexibility to fit the available budget and to ensure the council receives the best value for money on each of the contracts.
- As part of the supported bus service review we set out our consideration and priorities for making

decisions on what services we would award and support; these are (in no particular order):

- Bus Strategy guide on good value for money
- Bus Strategy priorities on services to support,
- Where there is no other commercial provision;
- Feedback from consultation;
- Value for money on tender returns
- Potential for commercialisation.

Bus Service 18/18A

- Bus Service 18/18A (Avonmouth/Henbury to Lyde Green) is operated on a commercial basis by First bus and they have informed us that the service is no longer commercially viable and they will be withdrawing the service from operation.
- The Avonmouth to Bristol Parkway corridor was served by supported bus services until September 2016, when the Council removed its funding from services 501/502 due to the operator of bus service 18 informing us that we were impacting on their commercial operation. Under the Transport Act 1985 (as amended) Local Authorities are not allowed to run in competition with commercial services, as such we withdrew our supported for bus services 501/502.
- First bus wished to withdraw the service from 30th April, however due to the short timescales we have agreed an interim measure to ensure that the service continues until 2nd September, in line with our supported bus service contracts.
- In line with the Cabinet Report on the Supported Bus Service Review in March 2017, the Council should support a replacement to bus service 18 as there is no alternative commercial provision available to residents and it links a number of deprived areas with major employment and Southmead Hospital.
- Officers in Bristol and South Gloucestershire Council have been working together to tender a replacement service to start from 3rd September, to ensure there is no loss of service to residents.

Supported Bus Service Budget

- As part of the Corporate Strategy there was a savings requirement from Supported Bus Service budget of £900k over the next 2 years.
- As part of the supported bus service review officers evaluated all of the tenders received and made proposals on which services to support based on our considerations and priorities, within the new reduced budget.
- Whilst working on the proposals officers were informed in commercial confidence that the service 18 would be withdrawn. As this service fitted in with our considerations and priorities we included financial provision for a replacement bus service 18 within the new supported bus service budget.
- Should further savings be required from the supported services budget in 18/19, the service 18 contract, and all other bus service contracts will be reviewed. The service 18 contract would be awarded for a 1 year period and there is a 6 month termination clause.

Recommendation(s) / steer sought: Approval to award a 1 year contract for service 18 to the highest scoring bidder.

City Outcome: This provides residents with access to public transport, enabling them to travel more sustainability across the city reducing congestion and emissions. This route serves deprived communities and connects them with the major local hospital.

We will also be working jointly with South Gloucestershire Council to procure this bus service.

Health Outcome summary: Improved air quality with people using buses rather than cars; additional activity for residents walking to their local bus stop.

Sustainability Outcome summary: Reduced emissions resulting in improved air quality.

Equalities Outcome summary: As part of our contract conditions we specify that all vehicles will be low floor and meet the PSV accessibility regulations 2000.

Impact / Involvement of partners: *South Gloucestershire council is a key partner in the service and we will be running the procurement on a joint basis.*

Consultation carried out: *Consultation has been carried out through the neighbourhood partnership meetings with local residents and councillors.*

Legal Issues: The Council derives the power to procure and award this contract from section 63 of the Transport Act 1985. This section contains a duty '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 county which would not in their view be met apart from any action taken by them for that purpose.' Whether the proposed contract is necessary to comply with that duty is a subjective judgement and is ultimately the Mayor's decision.

The part of the risk transferred under this contract is not sufficient for this to be deemed a concession contract and therefore it should be procured in accordance with the Public Contracts Regulations 2015 and the council's internal procurement rules. The procurement documentation will need to make clear that the Council will not necessarily take up the opportunity to award the contract for which it is seeking bids.

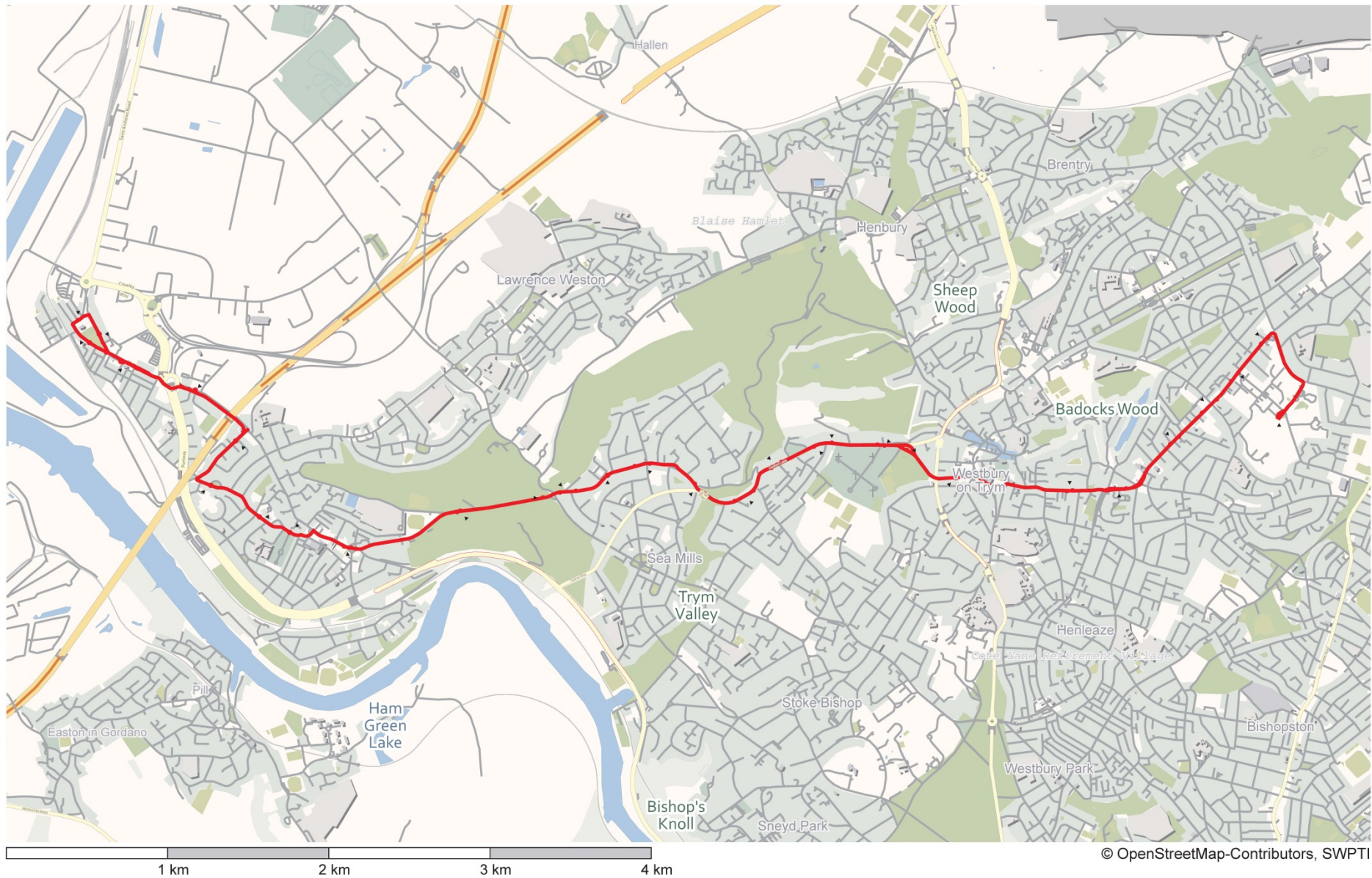
It is necessary to ensure that the party providing the contract is not overcompensated in order to avoid state aid potentially being an issue. This is less likely to be an issue with regard to the open tender, but it would nonetheless be prudent for the client department to calculate what it believes to be the cost of operating the required services, taking into account that the provider is permitted to make a 'reasonable profit.'

Legal Officer: Nicholas Mimmack

DLT sign-off	SLT sign-off	Cabinet Member sign-off
Barra Mac Ruairi 26 th April 2017	Alison Comley 15 th May 2017	Councillor Craig 11 th May 2017

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Exempt Information	YES (Not currently available)

Appendix A – Route Maps





Appendix D – Risk Assessment

FIGURE 1

The risks associated with the implementation of the *(subject)* decision :

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
		Impact	Probability		Impact	Probability	
1	Operator not having an operator licence in time to start operating the service.	Very High	Low	Operator will need to operate from a different base until the licence is have been issued.	High	Low	Contract Manager

FIGURE 2

The risks associated with not implementing the *(subject)* decision:

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
		Impact	Probability		Impact	Probability	
1	Not awarding a replacement bus service 18. The service would be withdrawn resulting in a loss of service to the residents in the North West of the city and the connections and accessibility that they provide.	High	High	Agree to award contracts.	Low	Low	Contract Manager



Bristol City Council Equality Impact Relevance Check

This tool will identify the equalities relevance of a proposal, and establish whether a full Equality Impact Assessment will be required. Please read the guidance prior to completing this relevance check.

What is the proposal?	
Name of proposal	Bus Service 18
Please outline the proposal.	Provision of supported bus service from Avonmouth to Southmead Hospital.
What savings will this proposal achieve?	None
Name of Lead Officer	Nicola Phillips

Could your proposal impact citizens with protected characteristics? (This includes service users and the wider community)
Please outline where there may be significant opportunities or positive impacts, and for whom.
As part of the contract documentation we will specify that the vehicles have to be low floor so that all passengers can board and alight the bus with ease. We also look at the wider aspects which the Council is trying to improve for example reduce congestion and emissions the in the city; in the documentation we specify that the vehicle's minimum standards including European environmental ratings (EURO standards). By providing these services we are ensuring that passengers have access to a bus service, which is not provided on a commercial basis.
Please outline where there may be significant negative impacts, and for whom.
There may be negative impacts for passengers with Wheelchairs and Buggies; this is due to buses only having 1 available space for these passengers. Which means passengers may have to wait for the next available bus if the space is already being utilised.

Could your proposal impact staff with protected characteristics? (i.e. reduction in posts, changes to working hours or locations, changes in pay)
Please outline where there may be significant opportunities or positive impacts, and for whom.
N/A
Please outline where there may be negative impacts, and for whom.
N/A

Is a full Equality Impact Assessment required?

Does the proposal have the potential to impact on people with protected characteristics in the following ways:

- access to or participation in a service,
- levels of representation in our workforce, or
- reducing quality of life (i.e. health, education, standard of living) ?

Please indicate yes or no. If the answer is yes then a full impact assessment must be carried out. If the answer is no, please provide a justification.

No

Service Director sign-off and date:
Peter Mann

Equalities Officer sign-off and date: Wanda Knight 8/5/17

Eco Impact Checklist

Title of report: Bus Service 18				
Report author: Nicola Phillips				
Anticipated date of key decision: 13 June 2017				
Summary of proposals:				
Will the proposal impact on...	Yes/ No	+ive or -ive	If Yes...	
			Briefly describe impact	Briefly describe Mitigation measures
Emission of Climate Changing Gases?	Yes	Both	<p>The service 18 is operated by buses which emit climate changing gases.</p> <p>This will see either the continuation of the existing service or a reduced level of service so we should not see an increase in gases produced from the service.</p> <p>If the service is withdrawn, passengers may not travel, or take alternative modes (e.g. walking or driving). It is not possible to assess the net effect.</p>	The tendering process includes a method statement setting out steps the operators are taking to reduce fuel consumption, for example driver training, telematics and alternative fuels.
Bristol's resilience to the effects of climate change?	No	N/A		
Consumption of non-renewable resources?	Yes	+ve/-ive	Vehicles will continue to consume non-renewable fuels. The net impact depends on the level of service provision, and choices made by passengers .	The tendering process includes a method statement setting out steps the operators are taking to reduce fuel consumption.
Production, recycling or disposal of waste	No	N/A		
The appearance of the city?	Yes	+ive	Services facilitate less congestion though the net effect on appearance of the	

			city is unlikely to be significant	
Pollution to land, water, or air?	Yes	-ive +ve	Vehicles operating on the service will emit pollutants detrimental to local air quality Services provide for a reduction in private car journeys, which could lead to a net benefit, depending on the level of patronage.	Operators will be asked to provide an option for Euro 5-compliant buses, which will reduce the emission of air pollutants in comparison with current arrangements.
Wildlife and habitats?	No	N/A		

Consulted with:

Summary of impacts and Mitigation - to go into the main Cabinet/ Council Report

The significant impacts of this proposal are...

- The operation of supported buses will result in the emission of climate changing gases, consumption of fossil fuels and air pollution.
- Supported bus services provide an alternative to private car use

The proposals include the following measures to mitigate the impacts...

- Vehicles used on the services will be compliant with the Euro-5 emissions standard
- As part of the quality specification we will give bidders additional points for reducing their environmental impact and fuel consumption.

The net effects of the proposals are

- The net effect of supported buses depends on the number of buses operating (in comparison with current arrangements), the level of patronage, and alternative methods of transport passengers would take if the service was not available.
- The change in environmental impact from current arrangements is likely to be positive, as the new service will use Euro-5 compliant buses.

Checklist completed by:

Name:	Nicola Phillips
Dept.:	Place
Extension:	22582
Date:	05/05/2017
Verified by Environmental Performance Team	