

Agenda Item IMD7

INDIVIDUAL EXECUTIVE MEMBER DECISION

REFERENCE IMD: IMD 2022/7

TITLE	Wokingham Town Bus Services
DECISION TO BE MADE BY	Executive Member for Active Travel, Transport and Highways - Paul Fishwick Executive Member for Finance – Imogen Shepherd-DuBey
DATE, MEETING ROOM and TIME	13 July 2022 SF2 at 12:15pm
WARD	Arborfield; Barkham; Bulmershe and Whitegates; Charvil; Coronation; Emmbrook; Evendons; Finchampstead North; Finchampstead South; Hawkedon; Hillside; Hurst; Norreys; Remenham, Wargrave and Ruscombe; Sonning; Twyford; Wescott; Winnersh; Wokingham Without;
DIRECTOR / KEY OFFICER	Director, Place and Growth - Steve Moore

PURPOSE OF REPORT (Inc Strategic Outcomes)

The purpose of this report is to gain approval to modify the term of local bus service contracts procured as part of Contract WBC100. The modification will allow local bus services to continue to operate, which provide a critical service to residents in the borough who may otherwise be socially isolated and unable to access key services including medical services, food shops, places of education and employment.

The decision is being treated as urgent as the bus contracts have come to their natural end. The contract term must be modified to allow the Council to continue to meet its statutory duty under the 1985 Transport Act. It was not possible to retender the contracts before now due to the impact of COVID on the industry, rapid rising fuel and driver costs, uncertainty around central government funding and the need to review the local network considering the above pressures.

RECOMMENDATION

That the Executive Member for Active Travel, Transport and Highways in conjunction with the Executive Member for Finance gives approval to modify the contract term of contracts tendered under WBC100 to agree a new end date of 31st March 2023.

SUMMARY OF REPORT

Wokingham Borough Council has a statutory duty to provide local bus services under the 1985 Transport Act, where in the view of the Council the bus services are required and would not otherwise be provided by the commercial market. A contract modification is proposed under procurement Regulation 72 (1)(c).

The routes affected are: 121, 122, 123, 124, 125, 127, 128, 129.

The contracts have come to their natural end and the term must be modified if the services are to continue. Preparations were initially made to retender the services, however the impact of COVID on passenger numbers and revenue, driver shortages, certainty over central government funding and now cost inflation driven by the cost of fuel and cost of living crisis have all impacted on the stability of the market and the Council's ability to retender. A review of all bus routes in the borough is required and will then need to be approved before the retender can take place.

Background

Contract WBC100 had an initial contract term of 5 years with the option to extend for two further periods (2+1). The full permitted contract term has now come to its natural end.

The Council has a statutory duty to provide local bus services where in the view of the Council the bus services are required and would not otherwise be provided by the commercial market.

The bus services affected are:

- 121 Norreys – Wokingham – Tesco
- 122/3 Woosehill – Emmbrook – Wokingham
- 124 Wokingham – Easthampstead Road
- 125/A/B Wokingham – Finchampstead – Crowthorne (including Saturday variant to Camberley)
- 127 Reading – Twyford – Maidenhead (Saturday only)
- 128/9 Wokingham – Winnersh – Twyford – Charvil – Sonning – Woodley – Reading

A recent review of current operating costs and revenues indicate that the above services could not be provided commercially.

It is the Councils current view that the above local bus services are required as they enable vulnerable residents to access medical services, attend places of education and employment, and provide access to retail and amenities. Without the above services there would be a particular risk of social exclusion for communities in Wokingham Without, Finchampstead, Hurst, Sonning, Woosehill and Emmbrook.

Consideration was given to retendering during 2020 and again in 2021, however the Covid pandemic had a significant impact on the services both in terms of passenger journeys and revenue. There was and continues to be uncertainty around government funding, which has been provided to mitigate the impacts of Covid and ensure services continue to operate. The industry has been acutely affected by a driver shortage, increasing driver wages. Inflationary costs, particularly relating to the cost of fuel and cost of living have further increased operational costs.

In May 2022 the Department for Transport (DfT) required all Local Transport Authorities to undertake a Local Bus Service Network Review. Following the completion of the Network Review, local bus services will be retendered. In the meantime, to ensure that these critical services continue, and that the Council continues to meet the requirements of the Transport Act 1985, it is proposed to modify the contract term.

The originally awarded contract was for £500,000 pa and had a total ascertainable value of £4m over an 8-year term.

The costs associated with modifying the contract term are set out in Part 2.

Procurement Regulation 72.(1)(C) permits the modification of contracts during their term where all of the following conditions are fulfilled:—

(i) the need for modification has been brought about by circumstances which diligent

contracting authority could not have foreseen;

(ii) the modification does not alter the overall nature of the contract;

(iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement.

Business Case (including Analysis of Issues)

Option 1: Withdraw local bus services

- Approximately 132,500 passenger journeys¹ per annum are currently made on the Town services, all of which would no longer be possible.
- There would be a significant impact on residents in terms of access to health care, employment, and education, especially from Wokingham Without, Finchampstead, Hurst, Winnersh, Emmbrook, Woosehill and Sonning.
- The Council would not meet the statutory duty of the 1985 Transport Act.
- It would be detrimental to the climate emergency, air quality, residents' health & wellbeing, and congestion on local roads.

Option 2: Retender Local Bus Service

- There is insufficient time to retender the service before the contracts come to their natural end or by October 2022 when government funding ceases.
- A gap in service would result if a new supplier won a re-tender exercise, as a 70-day registration process post award, along with any appropriate mobilisation & TUPE process would be required.
- A gap in service would result in the same impacts as listed under Option 1.

Option 3: Modify the Contract Term

- Modifying the contract term would allow the services to continue whilst a retender takes place. Allowing the services to continue would mitigate the impacts identified under Options 1 and 2.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£82,440 (S106)	Yes	Revenue
Next Financial Year (Year 2)			
Following Financial Year (Year 3)			

¹ based on May 2022 data

Other financial information relevant to the Recommendation/Decision
None

<p>Cross-Council Implications</p> <p>Local bus services have a significant impact on cross-council services. Local bus services allowing children who are eligible for travel assistance to get to school and vulnerable adults can travel to social activities. Alternative provisions would need to be put in place to enable the Council to fulfill its statutory duties for adults and children. The concessionary bus pass allows elderly and disabled residents to travel on local bus service, without these services there is a risk of social isolation. For residents travelling for medical appointments increased pressure for travel assistance would fall on community transport services and the NHS.</p>

Public Sector Equality Duty
An equalities assessment has been completed.

SUMMARY OF CONSULTATION RESPONSES	
Director – Resources and Assets	To be advised at the meeting
Monitoring Officer	To be advised at the meeting
Leader of the Council	To be advised at the meeting

Reasons for considering the report in Part 2
Detailed financial information on each route is provided in Part 2 which is commercially sensitive.

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