

<b>TITLE</b>	<b>Contracted Bus Services</b>
<b>FOR CONSIDERATION BY</b>	The Executive on Thursday, 16 February 2023
<b>WARD</b>	None specific
<b>LEAD OFFICER</b>	Director, Place and Growth - Steve Moore
<b>LEAD MEMBER</b>	Executive Member for Active Travel, Transport and Highways - Paul Fishwick

## **PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)**

Existing local bus contracts came to their natural end on 30<sup>th</sup> June 2022. The contract term was modified until 31<sup>st</sup> March 2023 under procurement Regulation 72 (1)(c) and approved via an Individual Executive Member Decision. The contracts were retendered in Winter 2022 for the same level of service at the same cost. No successful bids were received. The Executive is now asked to agree to the extension of the services for a further five months until the end of August 2023, and the retender of the services for a further three years. The Executive Committee is also asked to agree to further budget and the release of S106 funding to allow the continuation of the services for a further 5 months until the end of August 2023, and the retender and delivery of the services for a further 3 years.

Local bus services have an important role in the community and as such were mentioned in The Levelling-Up white paper (February 2022). The key benefits of local bus services are:

- access to jobs, retail, and services,
- business to business connectivity
- positive health outcomes,
- reduced carbon emissions
- improved air quality and
- reduced congestion

## **RECOMMENDATION**

That the Executive:

- 1) agrees to a further extension of the existing contracts between 1<sup>st</sup> April 2023 and 31<sup>st</sup> August 2023 for the following services:
  - a) local bus services for Wokingham Town and the surrounding areas (Norreys Estate, Mulberry Grove, Woosehill, Emmbrook, Wokingham Without and Crowthorne, Winnersh, Hurst, Twyford, Charvil, Sonning and Woodley)
  - b) local bus services for the villages which lie south of the M4 (Shinfield, Spencerswood, Swallowfield and Riseley)
  - c) Services on the A327 corridor,
  - d) the 19a/b/c services between Lower Earley, Maiden Erlegh, Woodley, the Royal Berkshire Hospital and Reading Town Centre

- 2) agrees to the retender of local bus services and agrees to make the increased budget available for the above services, as detailed in Part 2.
- 3) agrees to the release of any appropriate S106 funding to support any such decision in recommendation 2.
- 4) notes that S106 funding will only be sufficient to fund the services for a three-year period. A growth bid will need to be submitted if services are to continue beyond September 2026.
- 5) agrees to delegate the authority to award contracts for the above bus service to the Director of Place & Growth in consultation with the Executive Member for Active Travel, Transport and Highways.

### **EXECUTIVE SUMMARY**

Local Bus Service contracts which are currently operated by Thames Valley Buses and Reading Buses were retendered in Winter 2022 for the same level of service within the existing budget. No valid bids were received. Agreement is now sought to extend the existing services for five months (1<sup>st</sup> April 23 to 31<sup>st</sup> August 23), at an uplifted rate, whilst a further tender process takes place.

The services affected are:

- a) local bus services for Wokingham Town and the surrounding areas (Norreys Estate, Mulberry Grove, Woosehill, Emmbrook, Wokingham Without and Crowthorne, Winnersh, Hurst, Twyford, Charvil, Sonning and Woodley)
- b) local bus services for the villages which lie south of the M4 (Shinfield, Spencerswood, Swallowfield and Riseley)
- c) Services on the A327 corridor,
- d) the 19a/b/c services between Lower Earley, Maiden Erlegh, Woodley, the Royal Berkshire Hospital and Reading Town Centre

Based on the bids which were received, further budget is required. The Executive Committee are requested to agree to the recommendations above.

The Council has secured S106 funding from developer contributions. Sufficient S106 funding is available to cover the additional pressure from uplifted costs for a three-year period plus the five-month extension, subject to permission from Reading University. It should be noted that S106 is finite and will not currently extend beyond the above tender period. A growth bid will need to be submitted and approved if services are to be continued beyond September 2026.

Following a further retender of the above local bus services it is requested that the authority to award the contracts is delegated to the Director of Place & Growth in consultation with the Executive Member for Active Travel, Transport and Highways.

The next steps are:

- February 2023 – Draft tender documents
- March 2023 – Tenders out for bidding by operators
- April 2023 – Evaluation of tender bids
- May 2023 – Tender awards and start of mobilisation period
- June & July 2023 – Mobilisation period
- September 2023 – Start of new services

## BACKGROUND

Local bus services which need to be procured and their existing service levels and annual passenger numbers are set out in the Table below.

Local Bus Service	Service Level					Annual Passengers*
	M-F	Sat	Sun	First	Last	
Wokingham Town and the surrounding areas						
Norreys Estate & Mulberry Grove (121),	30 mins	120 mins	-	06:30	19:15	21,697
Woosehill & Emmbrook (122/3),	40/80 mins	2 per day	-	06:51	19:05	9,602
Wokingham to Waterloo Road (124)	2 per day	-	-	11:17	13:22	484
Wokingham Without & Crowthorne (125)	7 per day	2 per day**	-	07:19	18:21	6,896
Winnersh, Hurst, Twyford, Charvil, Sonning & Woodley (128/129/127)***	60 mins	60/120 mins	-	06:05	18:26	73,368
Villages to the south of the M4						
Shinfield & Spencerswood (600),	60 mins	60 mins	-	06:50	23:32	28,000
Swallowfield & Riseley (600)	60 mins	60 mins	-	06:21	23:06	20,000
Services on the A327 corridor						
Shinfield & Arborfield (3)#	-	-	30 mins	-	23:43	3,150
Woodley, Earley & Maiden Erlegh						
Maiden Erlegh & Woodley (19a/c)	30/60 mins	30/60 mins	-	06:43	19:09	72,500
Lower Earley (19b)	60 mins	60 mins	-	05:47	19:11	31,800

September 2021 to August 2022

\*\*Saturday service serves The Meadows Camberley

\*\*\* Saturday Service serves Maidenhead every 2 hours, with Twyford to Reading every 60 mins

#Evening and Sunday journeys only between Shinfield and Arborfield

Under the Section 63(1) Transport Act 1985 local transport authorities have 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”.*

The Council's current budget for providing the above services is £745,500 pa. No valid bids were received for the same level of service within the existing budget. A growth bid in the 2023/24 Medium Term Financial Plan (MTFP) is being considered for £350,000 pa for local bus services. Based on the bids received, this growth bid alone is now likely to be insufficient to support the current level of service.

The bus industry is experiencing significant inflationary pressures. The main pressures relate to fuel prices, driver shortages and wage increases, the cost of parts and general operational costs. Furthermore, 19% of passengers have not returned to bus travel post-

pandemic. Revenues were being supplemented by central government during the pandemic and recovery period, this funding will end on 31<sup>st</sup> March 2023. There is no further appropriate funding available from central government to support local bus services. Wokingham Borough Council will now need to fund the full increased cost of local bus services if they are to be maintained and improved for the future.

## **BUSINESS CASE**

The Executive are being asked to consider decisions in the following areas:

### **1. Existing Contracts**

The current contracts with Reading Buses and Thames Valley Buses are due to end on 31<sup>st</sup> March 2023. The Executive are being asked to agree to:

- a) Extend the existing contracts for a period of to five months between 1<sup>st</sup> April and 31<sup>st</sup> August 2023 whilst a further retender takes place. The cost of this recommendation is detailed in Part 2.
- b) To release S106 funding, as per Part 2.

The Executive should note that there would be no impact on residents during the tender period if the Executive agree to this recommendation. If the Executive do not agree to this recommendation, a full Equalities Impact Assessment will need to be undertaken along with a public consultation and then a further report brought back to Executive.

### **2. Retendered Services**

It is proposed the contracts are retendered for a three-year period. The start date would be 1<sup>st</sup> September 2023, once allowance is made for the retender process, registration with the traffic commissioner and contract mobilisation period. The Executive are being asked to agree to:

- a) Retain all services at their existing level. The cost of this recommendation is detailed in Part 2. There will be no impact on residents if this recommendation is approved.
- b) Release the appropriate S106 funding, as per part 2.

The Executive should note that there would be no impact on residents if the Executive agree to this recommendation. If the Executive do not agree to this recommendation, a full Equalities Impact Assessment will need to be undertaken along with a public consultation and then a further report brought back to Executive.

### **3. Funding**

Funding for the recommendations in this report are detailed in Part 2. The £350,000 pa budget growth requested in the 2023/24 MTFP is required, along with agreement to release additional S106 funding as appropriate.

The Executive should note that S106 funding is finite and will only sustain local bus services for the three-year contract period plus the five-month extension period. If the services are to continue beyond September 2026 a further growth bid will be required, or

the services will risk of being reduced or withdrawn if they are not commercially sustainable.

## Next Steps

The next steps are:

- February 2023 – Draft tender documents
- March 2023 – Tenders out for bidding by operators
- April 2023 – Evaluation of tender bids
- May 2023 – Tender awards and start of mobilisation period
- June & July 2023 – Mobilisation period
- September 2023 – Start of new services.

## Expected Outcomes

Should the above recommendations be approved, the expected outcomes would be:

- enabling over 250,000 passenger trips per year to continue on local bus services
- continued access to key services and amenities,
- continued access to employment and education opportunities for residents
- greater choice for residents in the way that they travel,
- a continued contribution from bus travel to meeting targets for the climate change emergency and the potential to grow this contribution
- a continued contribution to improve air quality and the potential to grow this contribution
- a contribution to reducing congestion on local roads and the potential to grow this contribution

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The Council faces unprecedented financial pressures as a result of; the longer-term impact of the COVID-19 crisis, Brexit, the war in Ukraine and the general economic climate of rising prices and the increasing cost of debt. It is therefore imperative that Council resources are optimised and 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)	£0	n/a	n/a
Next Financial Year (Year 2)	Additional Cost £476,947 (Cost £826,947 without MTFP growth)	Yes, with MTFP 23/24 growth bid and S106 funding	Revenue
Following Financial Year (Year 3)	Additional Cost £476,947 (Cost £826,947 without MTFP growth)	Yes, with MTFP 23/24 growth bid and S106 funding	Revenue

## Other Financial Information

The Executive must note that S106 funding is finite, and a growth bid will be required if services are to continue beyond September 2026. If bus services are reduced or withdrawn, this risk financial impacts on other Council budgets such as Home to School Transport budgets and Adult Social Care budgets.

**Stakeholder Considerations and Consultation**  
Further engagement will be undertaken with the relevant Town and Parish Councils, during the mobilisation period.

**Public Sector Equality Duty**  
A Stage 1 Equalities Assessment has been carried out. If the Executive Committee do not agree to the recommendation a Stage 2 Equalities Assessment will be required along with a consultation and further report to the Council's Executive Committee.

**Climate Emergency – *This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030***  
By agreeing to the recommendations, the continued provision of bus services will help encourage bus use and fewer journeys by private car. Fewer private car trips would help the Council achieve the objective of being a carbon neutral Borough by 2030

**Reasons for considering the report in Part 2**  
Part 2 – Commercially Sensitive Information. Also the release of financial information could influence forthcoming tender.

**List of Background Papers**  
Part 2 – Financial Information

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