

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY  
COMMITTEE**

**DATE: 28 January 2022**

**REPORT TITLE: SUPPORTED BUS SERVICES PROCUREMENT**

**HEAD OF SERVICE: PETER MANN, HEAD OF STRATEGIC  
TRANSPORT INTEGRATION**

**AUTHOR: NICOLA PHILLIPS, BUS SERVICES MANAGER**

### **Purpose of Report**

- 1 To seek approval to carry out the procurement of supported bus services across the region and delegated authority to award contracts. This report is required as the value of the contracts to be awarded will exceed the threshold of the current delegated decisions.

### **Impact of Covid-19 pandemic**

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on or are addressed through this report are as follows:

- Maintenance and enhancement of a comprehensive network of local bus services and modification of it in line with the adopted Bus Strategy will contribute positively to economic recovery and growth, assist residents in seeking employment and support the principles of clean and inclusive growth

### **Recommendation**

- That a procurement process be initiated for new local bus service contracts to replace those expiring in August/September 2022, and that authority be delegated to the Head of Strategic Transport Integration, in consultation with the Mayor and lead Transport Members, to award new local bus service contracts.
- That permission for a procurement process be granted for a new local bus service operating on the Cribbs Patchway metrobus extension, if no

commercial offer becomes available; and that authority be delegated to the Head of Strategic Transport Integration, in consultation with the Mayor and lead Transport Members, to award new a service.

- That permission for a procurement process be granted for any new local bus services which may be required as a result of the Bus Service Improvement Plan/Enhanced Partnership Plan and that authority be delegated to the Head of Strategic Transport Integration, in consultation with the Mayor and lead Transport Members, to award any new local bus services.
- That permission for a procurement process be granted for any bus service/s that the authority might need to support due to them no longer being commercially viable and that authority be delegated to the Head of Strategic Transport Integration, in consultation with the Mayor and lead Transport Members, to award any new local bus services.

## **Background / Issues for Consideration**

### Current supported bus service contracts/commercial services

- 2.1 The majority of bus services in the West of England region are provided on a commercial basis by private bus companies. As Local Transport Authority the West of England Combined Authority provides financial to non-commercial bus services that it considers to be socially necessary. These services are generally orbital/rural in nature or provide links between communities that are not connected by arterial routes. The cost of these services is approximately £4m per annum which is covered by the Transport Levy from the three authorities. The services provided are a combination of fully supported where the full operation of the service is paid for, or partially supported services where only certain journeys or extensions to the route are funded.
- 2.2 The Combined Authority currently supports 80 bus service contracts including park and ride services that were not viable as commercial operations prior to the onset of the pandemic. The current contracts for these services are due to expire on 27 August 2022 / 3 September 2022 and approval is sought to carry out a procurement process for new contracts to start on 28 August 2022.
- 2.3 The pandemic has had a dramatic effect on bus services due to the sudden and sustained loss of passengers. Even now, bus passenger numbers remain only at around 65% of pre-Covid levels in the region. It is anticipated that unless passenger figures recover significantly and swiftly a number of previously commercial services may not be viable in the longer term.
- 2.4 To ensure that current contracts are still fit for purpose and meet our Bus Service Improvement Plan network proposals, we have reviewed all supported bus services, including via a passenger survey, alongside gaining a better understanding of commercial service provision.
- 2.6 The Government has been providing Bus Recovery Grant for both commercial and supported services but this is expected to end on 5<sup>th</sup> April 2022. This

could lead to further services being reduced or withdrawn requiring the LTA to consider whether or how to respond.

### metrobus

- 2.6 At present the 3 metrobus services operate on a commercial basis under a Quality Partnership Scheme. The extension to the metrobus network from Cribbs Causeway to Parkway Station is currently under construction and will require a new service to start on the new route from early 2023.
- 2.7 We have carried out engagement with bus operators who have expressed an interest in operating a service along the extension route and at present are working with them to see if such a service might operate commercially. However, due to the impact of the pandemic on the bus market with patronage currently only around 65% of pre-Covid levels, operators are cautious about committing to a commercial offer and it is likely that the service will require some funding in the short term.
- 2.8 If a commercial offer does not come forward this autumn and funding is therefore required to support the metrobus service, even in the short term, the Combined Authority would need to carry out a procurement exercise to ensure a service is in place in early 2023.

### Bus Service Improvement Plan

- 2.9 The National Bus Strategy required all Local Transport Authorities to develop a Bus Service Improvement Plan (BSIP). The joint BSIP for the West of England covers the Combined Authority and North Somerset Council areas and sets out how services are expected to improve across the region over the coming years so that passengers have access to a clear and comprehensible bus network, with more frequent and better value bus services.
- 2.10 Any services that are identified through BSIP process which may start between April 2022 and December 2022 will need to be procured on an emergency basis due to the required timescales for completing the full procurement process. As such, approval is sought to start the procurement process for any services which we will need to tender both on an emergency basis and longer term to meet our requirements. These could include radial, orbital or feeder bus services, community bus services or Demand Responsive Transport.
- 2.11 As a Combined Authority we need to ensure that we are seeking value for money with any bus service that we tender. As part of the West of England Bus Strategy work, officers developed a framework to evaluate the relative costs and societal benefits of bus services, which has been refined and approved by Transport Board. We now have an evidence-based tool that will help us evaluate the tenders on principles enshrined in the Bus Strategy.

### **Consultation**

- 3.1 As part of the review we carried out a passenger survey on all existing supported bus services. This was designed to invite comments on the performance of these services and provide complementary information on journey purpose, time of travel, what alternatives people had to using the bus, suggested improvements etc. However, the survey was specifically not to provide a 'count' of users and therefore will not be used to justify any decision as to whether to continue to support a particular service based on usage alone – although we do have usage data for supported services provided separately by operators. The survey generated over 1500 responses of which over 80% were from users of these supported services.

## **Risk Management/Assessment**

- 4.1 Should the current set of bus service contracts be allowed to expire without the Local Transport Authority seeking to procure their replacement, there is a risk that some communities will see a reduction in access to public transport or even lose it completely. Making best use of the available funding to support socially necessary services reduces this risk.

## **Public Sector Equality Duties**

- 5.1 The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - Foster good relations between people who share a protected characteristic and those who do not.
- 5.2 The Act explains that having due regard for advancing equality involves:
- Removing or minimising disadvantages suffered by people due to their protected characteristics.
  - Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
  - Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
- 5.3 The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of

policies and the delivery of services, including policies, and for these issues to be kept under review.

- 5.4 A comprehensive, accessible and affordable bus network is vital to enabling people to access jobs, health, food, leisure and other services and opportunities. The measures proposed in this report aim to maintain and improve bus services across the region which will help meet the Combined Authorities obligations under the Equality Act.

**Finance Implications, including economic impact assessment where appropriate:**

- 6.1 Supported bus services are funded primarily through the Transport Levy from the three constituent councils. This includes developer contributions that have been secured by the councils as Planning Authorities where these funds are suitable for use to support public transport.
- 6.2 It is envisaged that this procurement process will result in service delivery within the available budget. Any residual financial pressure would have to be met through either an amendment to the levy or drawdown against the Combined Authority Transport Smoothing Reserve.
- 6.2 The Government has announced a new £3bn Bus Transformation Fund available from April 2022 which is designed to support each BSIP. As yet it is unclear exactly how much funding from this source will come to the West of England Combined Authority.

Advice given by: Malcolm Coe. Director for Investment and Corporate Services

**Legal Implications:**

- 7.1 The Local Transport Authority has a responsibility to seek to secure any bus services which are deemed to be socially necessary where they are not provided commercially.
- 7.2 Financial delegations for operational decisions for securing bus services have a limit of £2m. The value of the contracts being tendered exceeds this limit. Committee therefore is asked to extend this delegation in order to meet the timescale for the contract start.

Advice given by: Shahzia Daya, Director of Legal

**Climate Change Implications**

- 8 On 19 July 2019, the West of England Combined Authority declared a climate emergency, recognising the huge significance of climate change and its impact on the health, safety and wellbeing of the region's residents. The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision making

process.

Each report/proposal submitted for Combined Authority / Joint Committee approval is assessed in terms of the following:

Will the proposal impact positively or negatively on:

- \* The emission of climate changing gases?
- \* The region's resilience to the effects of climate change?
- \* Consumption of non-renewable resources?
- \* Pollution to land, water or air?

Particular projects will also be subject to more detailed environmental assessment/consideration as necessary as part of their detailed project-specific management arrangements

- 8.1 Provision of a good public transport network is essential to help mitigate the impact of climate change by reducing the number of vehicles on the road to meet the demand for travel. Exhaust emission standards for buses have been raised progressively over recent years and bus operators have invested heavily in new vehicles.

### **Land/property Implications**

9 None

### **Human Resources Implications:**

10 There are no HR implications arising as a direct result of this paper

### **Appendices:**

Appendix 1 – List of all supported bus services and contract end date

Appendix 2 – Timescale flowchart

**Background papers:** None

### **West of England Combined Authority Contact:**

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Ian Hird on 07436 600313; or by writing to West of England Combined Authority, 3 Rivergate, Temple Quay, Bristol BS1 6EW; email: [democratic.services@westofengland-ca.gov.uk](mailto:democratic.services@westofengland-ca.gov.uk)