

Cabinet



Date of meeting:	10 November 2022
Title of Report:	Non-Commercial Route Options
Lead Member:	Councillor Jonathan Drean (Cabinet Member for Transport)
Lead Strategic Director:	Anthony Payne (Strategic Director for Place)
Author:	Debbie Newcombe, Sustainable Transport Co-Ordinator
Contact Email:	Debbie.newcombe@plymouth.gov.uk
Your Reference:	DN 221021
Key Decision:	Yes
Confidentiality:	Part I - Official

Purpose of Report

The purpose of this report is to enable Cabinet to make a decision on the award of contracts for non-commercial bus routes following a pre-approved tender process undertaken during the summer of 2022.

The report seeks a decision on the award of contracts and the cancellation of contracts for various non-commercial bus routes. It also seeks approval to undertake statutory consultation on the introduction of parking charges at the city's three park and ride sites, agreement that the income generated through this proposal is ring-fenced to support the city's bus network, and that capital resources can be allocated to enable the necessary installation of car parking and associated infrastructure in the city's park and ride sites.

Recommendations and Reasons

The Cabinet is recommended to:

1. Confirm and agree which of the options set out in the report for the award of bus service contracts it wishes to implement.

Reason: To ensure bus services can continue beyond the end of December 2022.

2. Approve the cancellation of bus service contracts as set out in the report relating to the agreed option for implementation.

Reason: To ensure the non-commercial routes network can be provided within the available budget in future years.

3. Approve the award of the contracts as set out in the report relating to the agreed option for implementation.

Reason: To ensure the contracts securing the non-commercial routes in the agreed option can be awarded as approved.

4. Approve the undertaking of statutory consultation for the introduction of a £1 24-hour charge within the three park and ride car parks, and agree that the income generated from this is ring-fenced to supporting the city's bus network.

Reason: To ensure that sufficient funding is available to support the city's bus network.

Alternative options considered and rejected

Six alternative options are considered, as set out in the report, offering a range of options for the award of contracts depending on various future budget levels. These are, when considering the statutory provisions, considered to be the options which would secure appropriate provision of transport services, for the reasons set out in the briefing paper. These options will, depending on the option chosen, result in the loss of between 5 and 9 bus routes.

Award all the contracts as tendered is also an option. Given the overall position with the City Council's projected budget shortfalls in both 2022/2023 and 2023/2024. To date, we have identified a potential £15m shortfall in our in-year 2022/23 budget. We immediately instigated urgent and decisive action to identify savings of £9m but, these pressures mean we are also facing a substantial shortfall in resources needed to set a balanced budget for 2023/4 – where we are currently projecting a £37.6m shortfall. As such, award of all contracts is not considered a viable option as it will see the award of contracts of a value in excess of the Council's budget for non-commercial routes, placing further pressure on the wider revenue budget.

Relevance to the Corporate Plan and/or the Plymouth Plan

The provision of a non-commercial routes network supports the sustainable growth of Plymouth by providing residents with sustainable transport options to access employment, education, healthcare, leisure and retail opportunities.

Links to the Corporate Plan:-

Growing Plymouth:-The current non-commercial routes network supports the city's commercial network by providing additional links to employment opportunities and medical facilities in the Derriford and Northern Corridor Growth Area as well as the City Centre and Waterfront Growth Area. These routes enable both residents and visitors to access many parts of the city that would otherwise be unserved by public transport.

Caring Plymouth:- The subsidised services network provides valuable links to shops, healthcare, employment, education and leisure for those citizens who do not have access to a commercial bus service. Without these services these residents would face an increased risk of isolation, due to the need to rely on the use of higher cost taxis or relying on the charity and goodwill of friends or family, thereby restricting their independence and impacting on their wellbeing. As the commercial network adjusts to meet changing circumstances the non-commercial routes network provides a safety net; maximising the accessibility of Plymouth's bus network for all.

Links to the Plymouth Plan:- Through the provision of non-commercial routes the Council supports the use of sustainable transport modes as set out in the Plymouth Plan specifically policies SPT9 (5)5, where it states that the local Planning and Highway Authorities with key stakeholders will deliver: "realistic sustainable transport choices and increasing the integration of transport modes so that people have genuine alternative ways to travel.," SPT9 (6), which seeks to get the most out of our existing network and encourage behavioural change, SPT9(9) (delivering transport projects which provide a safe and effective transport system) and SPT (10) of the Plymouth and South West Devon Joint Local Plan and policies HEA6 (Delivering a safe, accessible, sustainable and health enabling

transport system), GRO4 (Using transport investment to drive growth) and GRO7 (Reducing carbon emissions and adapting to climate change) of the Plymouth Plan.

Implications for the Medium Term Financial Plan and Resource Implications:

The recommended contract award can be fully funded from within existing Strategic Planning and Infrastructure budgets in 2022-2023. In 2023-2024, the increased tender prices have varying budget implications.

In order to meet the costs of the agreed option for implementation, it is proposed to introduce a new charging regime at the city's park and ride sites in order to ring-fence funding to support the city's bus network. In addition, available Section 106 contributions will be maximised to support the provision of bus services.

The City Council will draw down Section 106 funding to support a number of these routes totalling £403,635 for 2022/2023 and £562,749 in 2023/2024. Throughout the contract term, officers will continue to maximise additional Section 106 funding to enable contracts to be extended in future years.

If charging at park and ride car parks is taken forward Cabinet should note that it anticipates that there will be a capital cost associated with the required installation of payment machines and associated infrastructure to allow the commencement of the new charging regime, expected to be from April 2023. A future report would be submitted which would seek a capital allocation and set out in detail the financial implications of any capital proposals being modelled.

Financial Risks

- From November 2023 operators can request an inflationary increase on their contract rates, which may impact on the potential savings that are currently predicted to arise from the non-commercial routes budget in 2023-2024.
- Capital costs associated with implementation of any proposed charging arrangements would need to be self financed.
- Securing additional income to support the city's bus network is at risk if the capital proposal is not actioned.

Carbon Footprint (Environmental) Implications:

On 8 March 2019 the Council declared a Climate Emergency and produced a number of key actions to achieve net zero carbon by 2030.

The Council's non-commercial routes network supports the efforts to reduce carbon emissions by providing an alternative sustainable transport option to the private car, and hence enabling behavioural change. As a minimum, the contracts will allow the Council to stipulate the maximum age of vehicles on these routes thereby reducing the environmental impact of the services, compared to an unregulated environment.

Bidders were asked to explain how their organisation can help Plymouth achieve net zero carbon by 2030 in delivery of this contract through allocation of vehicles, alternative fuels, cleaning materials and any further enhancements they think will be possible to deliver over the lifetime of the contract, which formed part of the evaluation criteria.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

To ensure that the council gives due regard to equality under our Public Sector Equality Duty an Equality Impact Assessment (EIA) has been undertaken which assesses the impact of each option

against the protected characteristics. The EIA has highlighted that some groups may be adversely impacted by the decision.

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Non-Commercial Route Options Report							
B	Equalities Impact Assessment							
C	Contract Award Report Part 1							
D	Contract Award Report Part 2			x				

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

Sign off:

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Originating Senior Leadership Team member: Anthony Payne (Strategic Director for Place)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 03/11/2022											
Cabinet Member approval: Councillor Jonathan Drear (Cabinet Member for Transport)											
Date approved: 03/11/2022											

