

EXECUTIVE DECISION

Made by a Cabinet Member

Plymouth City Council 2025 Non-Commercial Routes Network – Briefing report



I. Executive summary

Plymouth City Council provides financial support for a number of bus services that operate within our city boundary. Without this support, these services would be deemed commercially unviable and would not operate.

These services form the [Council's Tendered Bus Service Network](#).

The contracts for a number of the non-commercial routes are due to end on 31 March 2025. Therefore, a tender is required, in 2024, to determine the non-commercial routes network from April 2025.

The majority of public transport trips, in Plymouth, are undertaken by bus. The maintenance of a comprehensive bus network is therefore essential in order for Plymouth to fulfill its role as a regional center through the provision of sustainable transport links to locations such as Derriford Hospital, major employment sites including the Dockyard, Plymouth Science Park and cultural assets including the UK's first National Marine Park.

The key objective of the procurement set out within this Decision is to ensure that public transport is available to local residents and visitors for access to employment, education, healthcare, leisure and retail opportunities, whilst ensuring best value for the Council. In doing so this Decision supports the objectives of the Plymouth Plan (specifically policies HEA6, GRO4 and GRO7), Plymouth and South West Devon Joint Local Plan (specifically policies SPT9 and SPT10) and the Net Zero Action Plan through the provision of local bus services.

The outcomes and benefits of this proposal are therefore:

- Provision of local bus services in areas which would otherwise be unserved by the commercial bus network.
- Ensuring local residents and visitors have access, by public transport, to employment, education, healthcare, leisure and retail opportunities.

2. Purpose of the report

This report seeks approval to commence the procurement for a number of bus services which, on award, would become part of Plymouth's non-commercial routes network.

The key objective of the tender is to ensure that public transport is available to local residents and visitors for access to employment, education, healthcare, leisure and retail opportunities, whilst ensuring best value for the Council.

This paper details the proposed procurement, its rationale and the funding available to support the tender.

The decisions required are:-

1. Approval of the Business Case
2. Authorisation of the commencement of the procurement process.
3. Delegation of the award of the contract(s) and subsequent management of the contract(s) to the Service Director for Strategic Planning and Infrastructure, in consultation with the Cabinet Member for Strategic Planning and Transport, where they do not already have the authority to do so.

3. Requirement for the procurement

Plymouth City Council currently provides financial support for 18 bus services with operators within our city boundary. Without this support, these services would be deemed commercially unviable and would not operate. These services form the [Council's Tendered Bus Service Network](#).

The contracts for 13 of these services are due to expire on the 31 March 2025 and therefore a tender exercise needs to be completed in 2024 to allow any new contracts to be in place from April 2025. This is because the majority of services are funded, at least in part, by the Department for Transport's (DfT) Bus Service Improvement Plan Phase 2 (BSIP 2) grant¹ and, at present, there is no guarantee that the Bus Service Improvement Plan funding will continue beyond 31 August 2025. Therefore, to ensure best value is achieved from the known funding available to support non-commercial routes, post March 2025, the proposal is to competitively tender the services in order to deliver the most comprehensive network possible, within the available budget, and allow operators to submit innovative proposals for the delivery of the non-commercial routes network.

3.1 Services in scope for this procurement

The services to be included in this procurement, which are currently part of the Council's non-commercial routes network are as follows:

Table One: Services in scope for this procurement, which are currently part of the Council's non-commercial routes network

Current Contract	Service number and Operator	Route	Wards affected
21767/N	4, 4A, 4B & 4C – Stagecoach Southwest	4 – City Centre to Plymstock via Saltram Meadow 4A – City Centre to Hooe via Saltram Meadow 4B - City Centre to Elburton via Saltram Meadow 4C - City Centre to Saltram Meadow	Plymstock Radford and Plymstock Dunstone
20291/A	13, 13S – Plymouth Citybus	13 – City Centre to Holly Park via Weston Mill and Saltash Passage 13S – St Budeaux to Kings Tamerton via Barne Barton (School days only)	St Budeaux, Ham Budshead
20291/B	14 – Plymouth Citybus	City Centre to Derriford via Devonport, Ham and Keyham	Stoke, Devonport, Ham, Peverell and Moor View

¹ The Bus Service Improvement Plan Phase 2 funding was previously referred to as Bus Service Improvement Plan Plus (BSIP+) funding.

21767/I	27 – Plymouth Citybus	City Centre to Derriford Hospital via Lower Compton, Efford, Eggbuckland and Mainstone.	Compton, Efford and Lipson, Eggbuckland and Moor View
25306/A	30/31 – Stagecoach Southwest	30 – City Centre to City Centre via Mannamead, Hartley Vale and Peverell 31- City Centre to Coty Centre via Peverell, Hartley Vale and Mannamead	Compton, Peverell and Drake
26263	41 – Plymouth Citybus	City Centre to Southway via Peverell	Peverell and Southway
25306/B	54 – Stagecoach Southwest	City Centre to Bovisand via Plymstock	Plymstock Radford
21767/M	200 – Stagecoach Southwest	City Centre to Coypool Park and Ride	Plympton St Mary

It is also proposed to include an additional service in this procurement, which is not currently part of the Council's non-commercial routes network (Table Two).

Table Two: Service in scope for this procurement, which is currently part of the Council's non-commercial routes network.

Service number and Operator	Route	Wards affected
N/A	City Centre to Ridgeway via Merafield, Haye Road and Plymstock Broadway	Plympton Erle Ward

The service set out in Table Two is similar to the previous service 19, which served Merafield (Plympton), which was withdrawn in January 2023. Residents of Merafield are currently served by the service 59 which is a Devon County Council contract operated by Plymouth Citybus. However, this service is infrequent and hence the service is included in this tender in response to passenger requests.

The inclusion of the services in Tables One and Two does not commit the Council to awarding the contract. The tender will be made up of multiple lots, one for each service and the Council are under no obligation to award any or all lots.

3.2 Services out of scope for this procurement

The following services which form part of the Council's current non-commercial routes network will not be included in this procurement:

Table Three: Services out of scope for this procurement, which are currently part of the Council's non-commercial routes network

Contract	Service number and Operator	Route	Wards affected
PLA/I6026F*	1A – Stagecoach Southwest	Elburton - Sherford	Plymstock Dunstone

26264**	1A – Stagecoach Southwest	William Prance Road and Brest Road Extension	Moor View
25702B	2 – Stagecoach Southwest	Enhanced frequency on the Pomphlett to City Centre and City Centre to St Budueaux via Wolseley Road Corridor	Plymstock Radford, Sutton and Mount Gould, St Peter and the Waterfront, Stoke, Peverell, Devonport, Ham and St Budueaux
25702A	21/A – Plymouth Citybus	Enhanced frequency on the Plympton to City Centre and City Centre to St Budeaux via Devonport Corridor	Plympton Erle, Plympton Chaddlewood, Plympton St Mary, Moor View, Efford and Lipson, Sutton and Mount Gould, St Peter and the Waterfront, Stoke, Devonport, Ham and St Budeaux
21767/K*	52 – Stagecoach Southwest	Plympton to Derriford Hospital via Coypool Park and Ride	Plympton Erle, Plympton Chaddlewood, Plympton St Mary and Moor View

Those marked with a (*) are fully funded by Section 106 (S106) developer contributions for the length of the current contracts. The Service 1A extension to the Royal Eye Infirmary (marked with a **), which is also S106 funded, is a short-term kick-start contract for the financial year 2024-2025 only.

4. Procurement process

The procurement will utilise the Devon County Council (DCC) Dynamic Purchasing System (DPS). This system has been used in the past and provides the most cost effective procurement when tendering local bus services.

The DCC DPS (CPI 185-15) for Provision of Passenger Transport commenced on 02 April 2016 and will end on 1 April 2027, with all options to extend taken.

The main benefits of using the DPS are as follows;

- The Council do not need to undertake a full public procurement process that is subject to the Public Contract Regulations 2015 (PCR 2015) as this has already been done by Devon County Council in setting up the DPS
- The DPS provides a quicker route to market as suppliers listed on the DPS have already been assessed for their financial stability, track record, experience and technical & professional ability, before being awarded a place on the DPS
- The DPS offers the opportunity to a wider audience, providing the ability for new operators to consider tendering
- The use of the DPS has potential to allow longer contracts (up to eight years) and hence encourage a wider base of tenderers and investment in better vehicles
- The Council has successfully used the DPS on previous tender opportunities, including the last full retendering exercise in 2023
- Cost savings to Plymouth City Council if compared with undertaking our own procurement process in accordance with the PCR 2015

- The Councils Contract Award processes at the point of contract award still apply

It is proposed that the contract(s) are awarded until 31 March 2028 (i.e for an initial three year period) with the option to extend in annual increments for up to a further 5 years until 31 March 2033 (i.e a maximum of eight years in total).

Any subsequent Contact Awards made as a result of a further competition exercise through the DCC DPS will be subject to existing Procurement Law – Public Contract Regulations 2015.

5. Risks and opportunities

The key risk associated with this re-procurement is that there will be insufficient budget to retain the current non-commercial routes network in its entirety. This risk will be mitigated, where possible, through working with operators to identify services that may now justify commercial operation, and the identification of alternative funding sources such as S106 developer contributions. Contracts will be let up to the value of the available budget, as set out in section 6.

With regards to opportunities relating to this tender, whilst operators are required to submit prices, as per a set specification, they will be given the opportunity to respond with their own innovative proposals where these offer benefits to both the Council and passengers.

Operators will also be asked to consider innovation, in terms of how they can help Plymouth achieve its net zero carbon goals by 2030, through the allocation of vehicles, alternative fuels, cleaning materials, and any further enhancements they think will be possible to deliver over the lifetime of the contract, this will form part of their Social Value response. As a minimum the Council will stipulate the maximum age of vehicles operating on non-commercial routes, thereby reducing the environmental impact of the services, compared with an unregulated environment.

6. Financial Information

The financial information pertinent to this procurement for the initial contract period (Table Four) and the potential life of the contract including, any contract extension options (Table Five) is set out below.

Table Four: Financial information for the proposed, initial, three year contract period

Funding Source	Amount	Comment
Non-Commercial Routes budget	£1,398,000	Cost Centre 1639
S106	£923,479	Various developments; availability of S106 will depend on routes supported
BSIP 2	£73,895	

Table Five: Financial information for the potential maximum contract length (eight years)

Funding Source	Amount	Comment
Non-Commercial Routes budget	£3,728,000	Cost Centre 1639
S106	£1,558,631	Various developments; availability of S106 will depend on routes supported
BSIP 2	£73,895	

7. Recommendations

It is recommended that the Leader of the Council:

1. Approves the Business Case;
2. Authorises the commencement of the procurement process;
3. Delegates the award of the contract(s) and subsequent management of the contract(s) to the Service Director for Strategic Planning and Infrastructure, in consultation with the Cabinet Member for Strategic Planning and Transport, where they do not already have the authority to do so.