

To **Scrutiny Committee for Transport and Environment**

Date **24 November 2010**

Report By **Director of Transport and Environment**

Title of Report **Review of Supported Bus Services in Hastings & Rother, including some parts of Lewes & Wealden**

Purpose of Report **To report on progress on the Review of Services**

RECOMMENDATION: To note progress to date in undertaking the review of services.

1. Financial Appraisal

1.1 The outcome of the Area Review of Supported Bus Services is expected to deliver a network of supported services to complement commercial services provided by bus operators. Following a competitive tendering exercise in early 2011 we will award contracts that will deliver the revised network within the available budget, taking into account the savings that are required following the Government's spending review.

1.2 The Council's existing medium term financial plan refers to an efficiency saving of £50,000 to be achieved by retendering and route review of bus services from 2011/12.

1.3 This report does however need to be considered in the context of the recently announced Comprehensive Spending Review in which the Department for Transport indicated that specific grant streams would be reduced from the current 26 to four from 2011/12. The rural bus subsidy is not one of those set to continue and is said to be moving, after taking a share of cuts, into the general formula grant settlement. The final sums available to support bus services within East Sussex will only be determined once we receive the funding settlement in December and cash limits are finalised as part of the Reconciling Policy & Resources Process. At present all departments are modelling the impacts of 25% cuts in specific grants of which the Rural Bus Subsidy is one and further changes to these and / or other services will almost certainly need to be considered. The outcomes of the RPR process and savings should be agreed before new contracts are awarded as part of this exercise.

2. Supporting Information

2.1 A review is currently being undertaken of the current supported local bus contract network in the Hastings & Rother Areas, including a small number of contracts in Lewes and Wealden areas where their contract expiry dates coincide with those in this main review. Such reviews are undertaken periodically and provide the opportunity to plan services in an efficient and integrated way.

2.2 The Review covers those supported local bus services, education and integrated Adult Social Care transport arrangements funded by the County Council with contracts due to expire on 30 July 2011. The work involves reviewing services and tendering for contracts to replace 50 existing local bus and community transport service contracts to the net value of approximately £1.3 million per annum, currently undertaken by 10 suppliers. In addition, there are 26 dedicated school coach service contracts to the net value of approximately £0.75 million per annum, currently undertaken by 8 suppliers. Most contracts are held by local small and medium sized enterprises (SMEs).

2.3 Currently surveys are being undertaken of existing users. The first stage of consultation with local residents and organisations has produced responses from Stakeholders regarding existing provision and aspirations. Respondents included District and Parish Councils, local schools, residents' associations, service suppliers and individuals.

2.4 Where possible, the comments of consultation respondents will be incorporated in the tender specifications. These will be released to potential suppliers from late January 2011, who will have until late February 2011 to make their tender declarations. In the meantime, a second stage consultation will be undertaken which includes a summary of these detailed specifications. The outcome of this consultation will allow further amendments to specifications to be incorporated in the final contracts with suppliers.

2.5 A report on the outcome of tendering will be considered by the Lead Member of Transport and Environment on 18 April 2011. This will include recommendations on the award of contracts, taking account of the available budget.

2.6 As part of the review process the Standard Conditions of Contract and the Operational Code of Practice, both which suppliers are required to comply with, will be reviewed and updated to ensure that they represent developments in best practice.

2.7 The criteria used to evaluate contracts (70% price - 30% quality) offers suppliers further incentive to invest in newer vehicles, service branding and improved staff training.

2.8 It is envisaged that the new contracts will be introduced for a period of five years from Sunday 31 July 2011, ending in July 2016.

3. Comments / Appraisal

3.1 The tender specifications will be designed to offer options to provide suppliers with scope to offer savings required to work within the budget provision of £50,000 for 2011/12. In providing a range of options there will also be further scope to award contracts to reflect the level of available budget.

3.2 In compiling the tender specifications, officers will maximise the opportunities for suppliers to offer value for money and service provision. In particular bus services will be packaged more efficiently so that fewer larger contracts will be able to replace existing ones, with resulting anticipated savings.

3.3 The County Council has a track record of procuring a local bus network which provides good value for money in terms of numbers of passenger carried and average cost of provision. Benchmarking information is provided in Appendix 1. The current economic uncertainties should increase the attractiveness of these contracts to potential suppliers and is expected to produce savings compared to existing prices.

4. Conclusion

4.1 Subject to the assumptions made about supplier prices and the continuation of current levels of funding, the outcome of bus tendering will maintain the existing level of service provision within existing budget resources. Should there be a need to achieve savings; the flexible approach to compiling tender specifications will provide scope to tailor awards to match revised funding availability.

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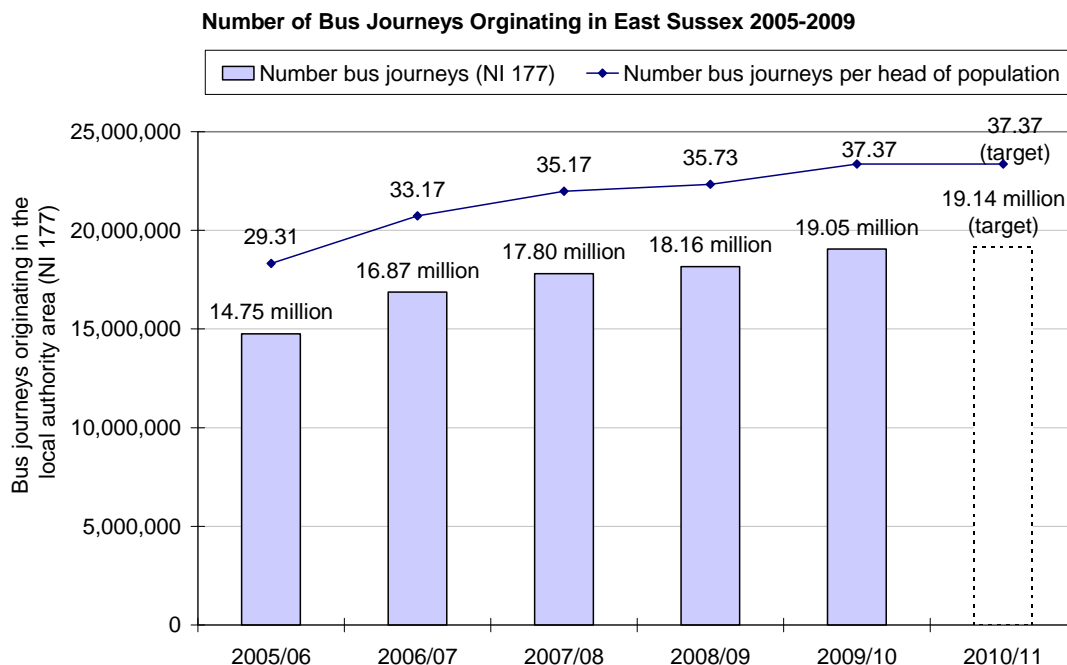
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Local Members: All
Background Documents
None

Appendix 1 – Bus Journeys in East Sussex and by comparison with other Local Authorities in England

County wide performance

The number of bus journeys originating in East Sussex has increased by almost 30% over the last five years. This increase is still present when the growth in population is taken into account.



East Sussex compares very favourably to other counties when the number of bus journeys per head of population is compared. This shows that bus passenger growths are strong relative to local population size.

