

# **NEIGHBOURHOODS AND COMMUNITIES PORTFOLIO DECISION SCHEDULE**



**Tuesday 2<sup>nd</sup> June 2009**

**at 1.30 pm**

**in Committee Room A,  
Civic Centre, Hartlepool**

Councillor Jackson, Cabinet Member responsible for Neighbourhoods and Communities will consider the following items.

**1. KEY DECISIONS**

1.1 Results of Tender for Supported Bus Services – *Head of Technical Services*

**2. OTHER ITEMS REQUIRING DECISION**

No items

**3. ITEMS FOR INFORMATION**

No items

**4. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS**

No items

## **NEIGHBOURHOODS & COMMUNITIES PORTFOLIO**

Report to the Portfolio Holder  
2 June 2009



**Report of:** Head of Technical Services

**Subject:** RESULTS OF TENDER FOR SUPPORTED BUS  
SERVICES

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### **SUMMARY**

#### **1. PURPOSE OF REPORT**

To advise on the tendering results relating to supported bus service contracts from August 2009 and to seek approval to award to the successful tenderers.

#### **2. SUMMARY OF CONTENTS**

This report provides information on the tendered costs of supported bus service contracts to start in August 2009.

#### **3. RELEVANCE TO PORTFOLIO MEMBER**

It is the responsibility of the Portfolio Holder.

#### **4. TYPE OF DECISION**

This is a key decision (tests i and ii apply)

#### **5. DECISION MAKING ROUTE**

This is an executive decision of the Portfolio Holder.

#### **6. DECISION(S) REQUIRED**

That the Portfolio Holder approves the award of supported bus service contracts to the successful tenderers as detailed in the report.

**Report of:** Head of Technical Services

**Subject:** RESULTS OF TENDER FOR SUPPORTED BUS SERVICES

## 1. PURPOSE OF REPORT

- 1.1 To report on the outcome of the tender exercise relating to the supported bus service contracts as current contracts expire in August 2009 and to seek approval to award to the successful tenderers.

## 2. BACKGROUND

- 2.1 The Council provides financial support to a number of bus services operating in the town. This includes “socially necessary” services, which would not otherwise be provided on a commercial basis which provide vital access to education, employment and health facilities and are a vital element in complementing Hartlepool’s commercial bus network.
- 2.2 The bulk of the supported bus contracts have, in previous years, consisted of one large block tender, which is a group of contracts provided at a discounted price. The current block contract was last tendered in 2007 and is due to end on 23 August 2009. Although the option of pricing as a single block was available to those companies tendering, each service could also be priced on an individual basis, or on the basis of smaller blocks, giving the option of selecting a combination of blocks and individual tender prices in order to achieve the best value for money. A list of services included in the current tender is provided in **Table 1** below.

### 2.3 Table 1 – Hartlepool Supported Bus Contracts

Contract Number	Service Number	Route
NO9009	1	High Tunstall- Town Centre - Seaton Carew - Port Clarence- Middleborough
SO9017	517/524	Hart- High Tunstall - Elwick-Dalton Piercy
DO9002	516	Tesco – High Tunstall - Elwick – Dalton Piercy
NO9014	518	Asda – Elwick - Dalton Piercy-Church Street
WO9005	980	Middlegate – Town Centre – Brenda Road - Tofts Farm Industrial Estate
NO9014	15	Maina – Town Centre – Owton Manor – Seaton Lane
UO9006	3A	Throston Grange- Maina- Town Centre - Throston Grange
UO9007	6\12	Fens - Middlegate
MO9008	3	Fens Hotel - Town Centre - Bishop Cuthbert
NO9010	6	Clavering- Wynyard Road
MO9012	12	Middlegate – Town Centre – Seaton Carew
NO9011	7	Middlegate – Town Centre – Owton Manor
DO9003	527	Greatham – Fens Estate – Town Centre - ASDA
NO9021	5	Hart Station- Middlegate
SO9015	822	Seaton Carew – Manor/Brierton School
SO9016	823	Middlegate – St Hild’s School

SO9018	824	Town Centre – High Tunstall School
SO9019	826	Throston Grange – English Martyrs School
SO9020	828/829	Seaton Carew - English Martyrs School
DO9004	H1	Hartlepool Hospital - North Tees Hospital

- 2.4 At a meeting of the Portfolio Holder on 16 February 2009, a report was presented outlining the approach and timetable for re-tendering of the Council's supported bus service contracts.
- 2.5 The total cost of the supported bus service contracts require that a notice be placed in the European Journal (OJEU). This notice was placed on the 2 March 2009, giving the required 52 days notice. As well as the supported bus routes, prices were requested for the provision of buses to service the park and ride sites for the Tall Ships event in 2010, although it is not intended to report on these at this time. Notices were also placed in the Northern Echo, Evening Gazette and Hartlepool Mail. Tender documents were requested by a total of 30 bus operators, with 11 returning quotes.

### 3. CONSIDERATION OF THE ISSUES

#### **Services 516/517/524**

- 3.1 In previous years, this contract has been tendered as one service which runs between TESCO in Burn Road and the villages of Elwick and Dalton Piercy. As a result of the consultations process undertaken prior to the tender process, an issue was raised by the Children's Services Department in respect of problems associated with children from Hart Village and surrounding villages. A number of pupils have experienced difficulties in getting to school on time. In addition reports were made that routes were regularly overcrowded on the return journey. In order to resolve these issues, prices were sought on both the current supported service (516/517/524), which utilises one bus, and an enhanced service that would provide for a separate bus for the school runs.
- 3.2 Further funding was made available through the Rural Bus Subsidy Grant in respect of the 516 service. This opportunity has allowed further planning to increase the frequency of the service from a two hourly service to an hourly service. The new profile of the route has been included in the tender process.

#### **Service H1**

- 3.3 The tendering process was used to establish the viability of the reintroduction of the H1 service between Hartlepool and North Tees Hospitals utilising existing supported bus revenue funding. This service was withdrawn at the end of March 2009 due to funding no longer being available from the NHS, PCT and Hartlepool Borough Council.

#### **Services 1, 6, 7 and 7A**

- 3.4 In 2008 Stagecoach notified the Council that they intended to stop running their commercial services 1, 6, 7 and 7A from August on Sundays to Thursdays after 18:30hrs and, in the case of Service 1 on every evening after 18:30hrs and all day on Sundays. As a result of this additional funding was found through Cabinet in order to maintain these services for a further year in order that they could be

included in the current tendering process. The additional cost for these was £79,621 for the year.

- 3.5 The current cost to the Council for all supported services as from August 2008 to August 2009 is £456,389 (this includes the £79,621 additional money provided by the Council to fund the evening and Sunday services withdrawn by Stagecoach).
- 3.6 All tenders were opened at a meeting of the Council's Contract Scrutiny Panel on the 27 April 2009. A total of eleven bus operators submitted prices for the supported bus contracts. In addition tenders were invited for the Tall Ships Park and Ride service for 2010. Applications were received from Stagecoach, Arriva, Veolia, Go North East, Rainbow Coaches, Owton Manor West Centre, Richardson Coaches, Paul's Travel, C-Mac Partnership Ltd, Compass Royston and Tees Valley Coach Travel.
- 3.7 **Appendix 1** provides the tendered costs for the supported bus contracts for each of the successful bus operators together with the existing cost. Taking the successful tender price for each service provides a total cost of £456,192. The award of contracts will be for a period of three years with an option to extend for a further two years if necessary.
- 3.8 Any change in the route or timing of a registered bus service must be notified to the Traffic Commissioner, for which 56 days notice is required before the change can come into effect.
- 3.9 Because of the robust, transparent and open tendering process used, a significant number of operators have provided more competitive prices than previous years. Consequently efficiencies have been made. The detail is listed in the Financial Issues below.

#### 4. CONSULTATION

- 4.1 A comprehensive programme of consultation and involvement was carried out including a public consultation event in Middleton Grange Shopping Centre and internal consultation with Children's and Adults and Community Services.

#### 5. FINANCIAL ISSUES

- 5.1 Payments to the successful tenderers are made in thirteen equal four weekly instalments, based on the annual cost. Between April and August 2009 the existing tender prices will apply and will cost a total of £165,896. On the basis of the new prices the amount payable between August 2009 and March 2010 will be £280,688. In addition to the services included in this tendering process the Council also contribute to cross boundary services which are tendered by Durham and Redcar and Cleveland Council and this equates to an annual amount of £27,500. The total budget for 2009/10 of **£426,798** is made up as follows:

- £347,698 Revenue
- £24,100 Children's Services contribution for passes

- £25,000 Developer contribution to increase frequency of 516 service
- £30,000 DfT Rural Bus Subsidy Grant

- 5.2 The total cost of supported buses based on the above for 2009/10 is £474,084, which leaves a shortfall of £47,286 if all contracts were to be awarded at the accepted tender prices.
- 5.3 The outcome of the tender will result in the award of all services (excluding H1) supporting an efficiency of £3,938. It is important to note that within the budget services, 1, 6, 7 and 7A are now accommodated achieving a non cashable efficiency.

## 6. OFFICER ADVICE

- 6.1 If all of the tenders are accepted and awarded at the current prices there will be a budget shortfall of £47,286 for 2009/10.
- 6.2 The services provided for the total cost of £474,084 include the 1, 6, 7, 7A and H1, all of which were not previously accommodated within the supported services budget and one of which (H1), which is not currently operating.
- 6.3 If the H1 service were not to be awarded this would reduce the overall cost for 2009/10 by £51,224, bringing the services back into budget.
- 6.4 On the basis that the H1 is no longer operating it is advised that all contracts, as indicated in Appendix 1, are awarded to the successful tenderer **except** that for the H1 in order to bring the supported bus contracts back in line with current budgets.

## 7. RECOMMENDATIONS

- 7.1 That the Portfolio Holder approves the award of supported bus service contracts to the successful tenderers as detailed in the report.

## 8. CONTACT OFFICER

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