

North Somerset Council Decision

**Decision of: Director of Place and Director of Corporate Services
(s151)**



With Advice From: Integrated Transport Unit Manager

Decision No: 21/22 DP 462

Subject: Award of supported bus contracts in Weston-super-Mare

This is an urgent decision not listed on the forward plan. The public notice procedure has been followed.

Key Decision: Yes

Reason: The value of this decision is over £500,000

Background:

North Somerset Council has a well-established extensive network of commercial bus services providing low carbon sustainable travel for our residents. In addition to this the council currently supports 8 services that are considered socially necessary within its very limited revenue funding, which is in turn supplemented by development contributions.

The public bus network nationally is struggling to recover patronage above 70% of pre-pandemic levels, despite financial support from central and local government. Locally recovery has lagged even further behind by a further circa 5-10%. The west of England has seen a wholesale change in the demand for travel, reflecting a more permanent shift in travel demand, it is known this is due to many people adopting hybrid working practices, and a higher dependency on online shopping. The confidence of public transport patrons is expected take several years to fully recover.

The commercial bus network in North Somerset was geared towards serving commuters, access to education and retail, with less emphasis on leisure travel, which has seen a stronger return to normality. In December 2021 the demand for travel in the West of England reached a peak of 73% of pre pandemic levels, with some services fairing better than others, the emergence of the Omicron variant saw this fall back to 63% of comparative pre-pandemic patronage.

National bus recovery funding has been extended to the 1st October 2022 but this is insufficient to save all services. In addition, driver shortages are making it difficult for operators to continue to always provide reliable services

First Bus representatives from the Bristol and North Somerset subsidiary informed the council in late February that it needed to respond to this situation by adjusting the commercial network in April to address this difficult operating environment. Unfortunately, the next round of service changes includes the withdrawal of four services from the Weston-super-Mare town network which are the 2,4,6 combined route and the Weston 5 service. The X2 will now terminate in Yatton removing West Wick from the WSM network, and there will be several routes that have the operating times and or frequency of services reduced, to reflect demand or resources available to deliver them. There is a summary table in Appendix 1

Citistar are also withdrawing the 128 Nailsea bound and 134 Weston Bound once weekly rural return services due to a lack of demand and viability

The cost of covering all the changes is estimated to be around £1M per annum which is unavoidable. Therefore, tenders were sought on addressing the worst impacts. Two options were considered

A – A revised service utilising 3 buses which covered the area served by the 2,4,5 and 6 as well as serving West Wick

B – A revised service utilising 2 buses which covered the area served by the 2 and the 5

It is recommended that Option A is awarded as this provides sufficient cover and the necessary finances are in place. Full details of the service to be provided are include in Appendix 2. The contract length is 18 months.

Unfortunately, only one tender from Stagecoach West was received but this was within our cost expectation and therefore we are confident it still provides value for money

Decision:

1. To approve the award of contract DN600893 to Stagecoach West for the provision of the supported bus service as detailed in Appendix 2

Reasons:

The loss of these services would have a severe impact on people in Weston-super-Mare to access the Hospital, education, and other essential services. However, patronage is still recovering as we emerge from the pandemic, and we would expect their financial performance to improve. The service would also negate the need for an additional HTST service between Hutton and Broad Oak School which would in itself be expected to cost up to £50K. 18 Months was considered as the most suitable timescale to tie in with the natural bus timetable schedules and a reasonable time to allow recovery and maturity of the revised routes.

Options Considered:

Tender replacements for all lost services:

The estimated cost of replacing all the lost services was estimated to be around £1M which was not affordable. In addition, discussions with First suggested that driver shortages on those services where they were the only viable operator would mean they would still have to be withdrawn, even if funding could be provided.

Tender new services: This is the option that was chosen. Two options, one utilising two vehicles and another utilising three vehicles was issued to the market, addressing the most significant impacts on the community

Accept all service withdrawals: This had widespread impact across Weston-super-Mare, significantly reducing access to the Town Centre, the hospital and resulting in long walking distances to alternative services. It also did not support the Council's climate change objectives.

Financial Implications:

The contract is being let on a Gross cost basis, so the contract costs will be offset by Fares revenue retention and, concessionary fare retention. The income is not guaranteed as it related to actual patronage, the potential profit is therefore not guaranteed, despite being based on historical patronage figures.

The gross cost of the contract is £535K per annum the contract will initially be let for 18 months making the **total contract expenditure £802,500**, of which **267K would be direct revenue support**.

The following table outline the income and expenditure over the duration of the 18 month contract;

Source of funding	2022/23 Impact	2023/24 Impact (part yr)	Value	Comment
Fares (including Concessionary Fare usage which would then be retained by the Council)	£336k	£168k	£504K – this is based upon 70% patronage recovery.	This has been derived from First, however given the service being provided has been adjusted there is a risk this may not be achieved. We therefore used a 70% patronage recovery rather than the 75% that First assumed. However, further growth in patronage is expected as we emerge from the pandemic so we would aim to exceed this
BRG Grant	£55k	£0k	£55k**	BRG Extension funding Apr22 – Octo 22 covering 1/3 of losses due to patronage suppression after covid
Supported bus Revenue spend	£178k	£89k	£267K*	Existing revenue budget transferred from concessionary fares underspend

S106	£0k	£165k	£165K	There is £97K funding from S106 – it is proposed to spread this over 18months.
TOTAL INCOME	£569k	£422k	£991k	Includes estimated farebox income and ENCTS income
Total Expenditure	£535k	£267k	£802K	(contract costs)
Gross Cost	-£34k	-£155k	£-189K*	The Gross cost will be adjusted to net Zero depending an actual income from fares.

(*The overall revenue subsidy for the 18-month contract is Circa £267,000)

The combined package suggests a breakeven point or small profit is plausible, this is assuming the revised route sustains its current patronage levels at the current 70%

**We expect to be able to draw down additional Bus Recovery Grant for the next 6 months, however, this sum is currently unconfirmed by DFT, the requested amount is 75k. This grant is intended to off-set lost fare income from previous routes compared to pre-pandemic utilisation, so would reduce the risk around the £504K Fares and potentially reduce the Supported bus revenue contribution levels.

There is a further £220K of S106 funding expected to become available in the near future which could also be utilised should this prove necessary, further reducing the need to use Supported bus revenue funding.

Legal Powers and Implications:

N/A

Climate Change and Environmental Implications:

The provision of Supported bus services reduces the reliance on privately owned vehicles and individual journeys and is key measure to help meet our carbon neutrality 2030 commitments.

Consultation:

The decision has been communicated to all the affected ward members, and Town and Parish Councils. There is a request for closer engagement with First bus and the council on any future changes to the bus network as it recovers from the effects of the Pandemic. This will take the form of attendance at formal meetings with representative from North Somerset Council and First bus. The Bus Enhanced Partnership will also provide formal channels to consult on the bus network and passenger engagement once it takes effect in the summer of 2022.

Changes to commercial bus routes are normally registered 90 days prior to the change date to give time for consultation with service users and the LTA. During Covid these have been suspended to allow the market to adapt services quickly in response to rapidly changing circumstances meaning substantially less time has been available to manage the changes on this occasion. While every effort has been sought to minimise impacts of change first bus have not consulted directly with service users on these changes.

Risk Management:

The key risk is around growing patronage and improving the commercial viability of the service. The Council will work with operators to promote services and encourage people to return to public transport post pandemic.

Equality Implications:

Have you undertaken an Equality Impact Assessment? Yes (see appendix 3)

Corporate Implications:

The decision reflects several of our commitments in the corporate plan;

- A transport network which promotes active, accessible, and low carbon travel
- A commitment to protect the most vulnerable people in our communities

Appendices:

Appendix 1: List of Service Changes

Appendix 2: Details of proposed supported service

Appendix 3: Equalities Impact Assessment


Background Papers:

Not Applicable

Signatories:**Decision Maker(s):**

Signed:  Director of Place

Date: 24 March 2022

Signed:  Director of Corporate Services (s151 Officer)

Date: 24 March 2022

Appendix 1

Service Name	Impact	Consequence	Pre-Covid Pax (19/20)	Current Pax (21/22)	Comment
2	Withdrawn	Weston Town Service. Loss of service to part of Weston on a steep hill with a high concentration of elderly users and a long walk to alternative bus services	11,000	7,000	Mainly concessions
4	Withdrawn	Weston Town Service. Loss of service to the village of Bleadon and Bleadon Hill. Alternative service 20 on A370 but walking routes are problematic	14,000	11,000	Mainly concessions
5	Withdrawn	Weston Town Service. Loss of primary service to Hospital, loss of service to Hutton. Loss of service along Upper Bristol Road, Upper Milton, Lower Kewstoke Road. This is the service that links Hutton to Broad Oak school and this part of the route would need HTST provision	188,000	93,000	Concessions, Students & Young people c.60%
6	Withdrawn	Weston Town Service. Loss of service to Worlebury and Ashbury Park. With the loss of the 5 – alternative services are a very long walk away on steep and narrow roads.	17,000	12,000	Mainly concessions
X8	Withdrawn replaced by a higher	Replaced by a re-routed X7!	133,000	32,000	Mon-Fri only

	frequency X7				
3	Reduced	Weston Town Service. The 0600, 0630, 0700 from Worle and 0635 from Asda will be withdrawn. Evening services will end at around 17.40 rather than 19.30. Sundays reduce from 30 to 45 minutes.	Unknown	23,000	Access to employment
7	Reduced	Weston Town Service. The 0540, 0610, 0640 from Worle and 0548 and 0628 from Haywood Village will be withdrawn. Evening services will end at around 22.00 rather than 23.00. The Sunday service will be reduced from every 30 to every 60 minutes.	Unknown	13,000	Access to employment and leisure
X1	Reduced	The 0510 from Weston-super-Mare to Bristol and 0620 from Bristol to Weston-super-Mare will be withdrawn	Unknown	4,000	Access to employment
X2	Reduced	From 24 April 2022, this service will only operate between Bristol and Yatton. The section between Yatton and Weston-super-Mare will be withdrawn serving West Wick & Locking Castle	Unknown	1,800 (west wick only)	Section through Locking Castle covered by X5
X7	Reduced	Evening Services will finish at around 20:15 from Clevedon to Bristol and 21: 15 from Bristol to Clevedon with the loss of 2 later journeys on an hourly basis. Revised routing to go via Backwell and Nailsea station, improving rail links and access to Backwell and Nailsea for residents. Urban £1.50 flat fare zone extended from Nailsea to Backwell on this service!	Unknown	7,000	Mainly leisure journeys

X9	Reduced	The 2024, 2124, 2224 from Nailsea to Bristol and 2245 and 2345 from Bristol to Nailsea will be withdrawn.	Unknown	9.500	Mainly leisure journeys
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Worle - Hutton

50

via Worlebury - Grove Park - Weston-super-Mare - Hospital - Bleadon - Oldmixon

Monday to Saturday

Ref.No.: 2202

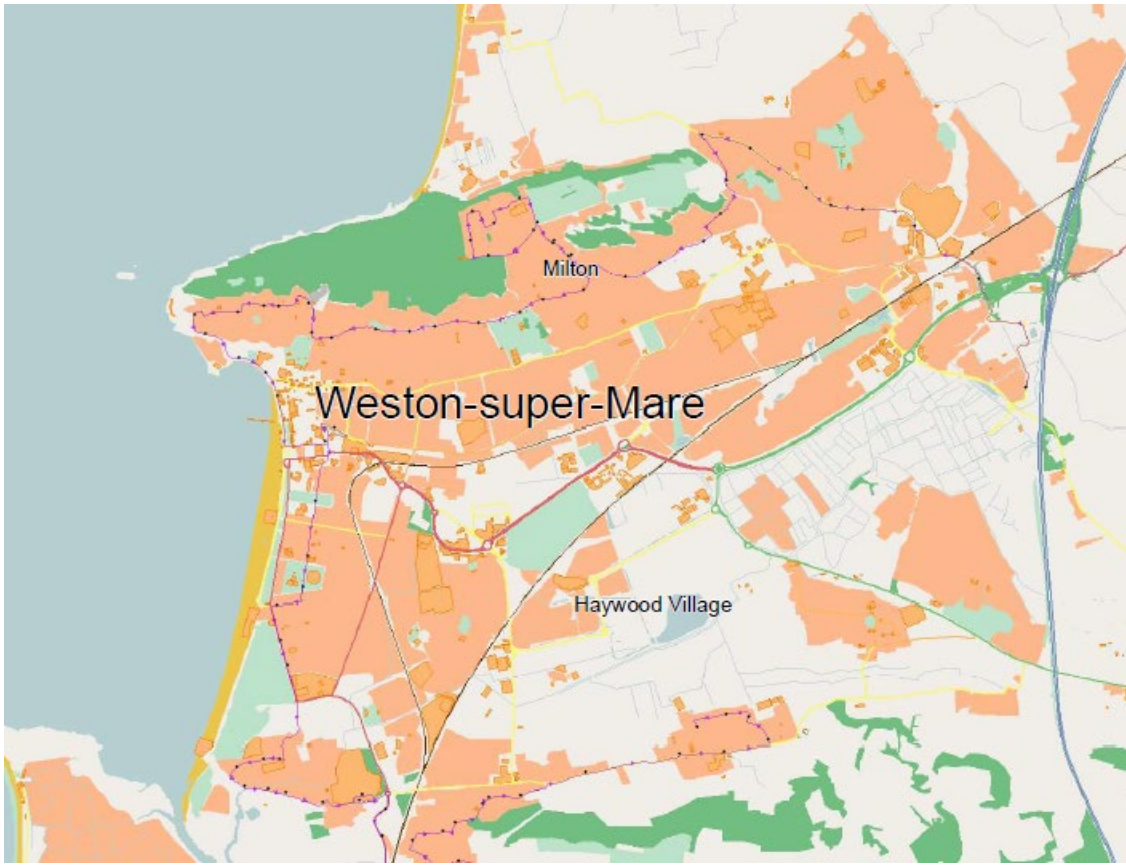
Bus Working Number	3	1	2	3	1	2	3	1	2	3	1	2	3
West Wick, Scot Elm Drive		0715	0815	0915	1015	1115	1215	1315	1415	1515	1615	1715	1815
Worle, Terminus, Stop C		0720	0820	0920	1020	1120	1220	1320	1420	1520	1620	1720	1820
Weston Woods		0735	0835	0935	1035	1135	1235	1335	1435	1535	1635	1735	1835
Furland Road		0740	0840	0940	1040	1140	1240	1340	1440	1540	1640	1740	1840
Holland House		0750	0850	0950	1050	1150	1250	1350	1450	1550	1650	1750	1850
Interchange, Stand D	0704	0804	0904	1004	1104	1204	1304	1404	1504	1604	1704	1804	1904
Plumley Court	0711	0811	0911	1011	1111	1211	1311	1411	1511	1611	1711	1811	1911
Hospital Grounds	0721	0821	0921	1021	1121	1221	1321	1421	1521	1621	1721	1821	1921
Bridge Road	0728	0828	0928	1028	1128	1228	1328	1428	1528	1628	1728	1828	1928
Hutton, Holm Road	0742	0842	0942	1042	1142	1242	1342	1442	1542	1642	1742	1842	1942

Hutton - Worle

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via Oldmixon - Bleadon - Hospital - Weston-super-Mare - Grove Park - Worlebury

Bus Working Number	2	3	1	2	3	1	2	3	1	2	3	1	2
Hutton, Holm Road		0745	0845	0945	1045	1145	1245	1345	1445	1545	1645	1745	1845
Bridge Road		0756	0856	0956	1056	1156	1256	1356	1456	1556	1656	1756	1856
Hospital Grounds		0803	0903	1003	1103	1203	1303	1403	1503	1603	1703	1803	1903
Plumley Court		0812	0912	1012	1112	1212	1312	1412	1512	1612	1712	1812	1912
Interchange, Stand K	0724	0824	0924	1024	1124	1224	1324	1424	1524	1624	1724	1824	1924
South Road	0734	0834	0934	1034	1134	1234	1334	1434	1534	1634	1734	1834	
Furland Road	0744	0844	0944	1044	1144	1244	1344	1444	1544	1644	1744	1844	
Weston Woods	0749	0849	0949	1049	1149	1249	1349	1449	1549	1649	1749	1849	
Worle, Terminus, Stop C	0802	0902	1002	1102	1202	1302	1402	1502	1602	1702	1802	1902	
West Wick, Scot Elm Drive	0810	0910	1010	1110	1210	1310	1410	1510	1610	1710	1810	1910	



North Somerset Council Initial Equality Impact Assessment

Please add content where << XXX >> is indicated.
Please make Yes or No bold as appropriate.

1. The Proposal

Directorate:	Place	
Service area:	Public Transport	
Lead Officer:	Carl Nicholson	
Links to a budget reduction proposal:	Yes	No
Date of assessment:	17/00/2022	

Description of the proposal:

What is changing?

The council has been notified of the withdrawal of commercial bus services 2,4,5 & 6 and the X2 serving West Wick, from the 24/04/2022. The council has reviewed the financial performance of these services and identified funding from multiple sources to cover this route going forward.

Summary of changes:

Please describe how the policy or service will change as a result of the proposal.

- Provision of new supported service covering those areas previously served by services 2,4,5 and 6 and the X2 in West Wick (see Map attached to decision notice)
- A number of other frequency and service changes are made which will mean people will have to adjust their time of travel

2. Customer equality impact summary

Will the proposal have a disproportionate impact on any of these groups?

Insert X into one box per row, for impact level and type.

H = High, M = Medium, L = Low, N = None

+ = Positive, = = Neutral, - = Negative

Impact Level	Impact type						
	H	M	L	N	+	=	-
Disabled people			X				X
People from different ethnic groups				X		X	
Men or women (including those who are pregnant or on maternity leave)			X				X
Lesbian, gay or bisexual people				X		X	
People on a low income				X		X	
People in particular age groups			X				X
People in particular faith groups				X		X	
People who are married or in a civil partnership				X		X	
Transgender people				X		X	
Other specific impacts, for example: carers, parents, impact on health and wellbeing, Armed Forces Community etc. Please specify:							

3. Explanation of customer impact

Please describe the reasons for the impact level in the table above.

The letting of the contract means that most people will continue to access bus services as they do currently. However, as the service is not a like for like replacement, there are unknown individuals who may have to walk slightly further to their nearest bus stop or may experience longer journey times. However, this is preferable to the loss of the service

Date:

24/01/2022