



Proposed award of subsidised local bus service contracts

Date of meeting 28 June 2024

Date of report 19 June 2024

Report by Head of Bus Strategy & Delivery

1. Object of report

To recommend the Partnership approve the award of a number of subsidised local bus service and MyBus contracts.

This paper affects East Ayrshire, Glasgow, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire, South Ayrshire and South Lanarkshire Council areas.

2. Background to report

SPT subsidises bus services which are not provided by the commercial market, but which are considered socially necessary. A proportion of these contracts are due to expire in July 2024 and tender bids have been sought for their renewal.

Prior to seeking replacement contracts SPT analyses existing provision, reviewing performance data for each specified journey within each service to align provision with actual demand. In addition, the opportunity is also taken to determine whether contracts can be amalgamated in situations where this may improve connectivity and overall sustainability.

Operators must submit compliant tenders, but optional alternative prices are also considered whereby the operator may submit an option which offers efficiency savings to SPT. It is also permissible for operators to package contracts where this may provide better value for money.

3. Outline of proposals

Of the six advertised individual local bus service and MyBus contracts, it is proposed to award all six with a total contract value of £2,555,533 as detailed in Appendix 1. This will result in an annual increase of £105,595 when compared to the current annual contract value.

The award of these contracts, as well as other contract awards and amendments since the start of the financial year will result in a provisional outturn figure of £14,563,419 against a budget of £14,267,633. Accordingly, the Network Analysis & Design team are currently preparing and assessing service reduction options in accordance with the Framework for Supporting Local Bus Services to reduce the estimated spend in line with available budget. Further details will be shared with the Operations Committee in due course.

The recent tender exercise was the third round conducted for the 2024 contract renewals and prices submitted reflected rising operational costs for bus operators and wider challenges in the local bus market. In the case of contracts 5627U, W022J and W149E, further direct negotiations were undertaken with local bus operators to seek revised and improved bids. The direct negotiation process was successful in securing improved bids for contracts W022J and W149E specifically.

In addition to the above, the Partnership is advised that contract W022H1 has been procured to replace the previous contract which will be terminated due to poor operational performance. The Partnership is also advised that this contract, for services M2 and 74, currently utilises two SPT vehicles and will now be operated from the renewal date by one SPT vehicle, maintaining connectivity within the available budget.

Copies of all timetables are available on request. Specific details of individual contracts are attached in Appendix 1, with the current cost and contract renewal cost shown.

4. Partnership action

The Partnership is recommended to agree the award of the contracts detailed in Appendix 1, noting that the award of contract W149E is subject to the approval of West Lothian Council for a continued 75% funding contribution.

5. Consequences

Policy consequences	<i>In line with the Regional Transport Strategy and SPT's framework for local bus services.</i>
Legal consequences	<i>All contracts will be awarded subject to SPT's terms and conditions for transport contracts.</i>
Financial consequences	<i>The award of the contracts detailed in this committee paper will result in additional costs of £37,809 to SPT in 2024/2025 when compared to budget projections for these contracts. These awards will also result in additional costs of £3,090 to West Lothian Council in 2024/2025.</i>
Personnel consequences	<i>None directly.</i>
Equalities consequences	<i>Seeks to reduce the incidence of social exclusion by supporting socially necessary bus services.</i>
Risk consequences	<i>None directly.</i>
Climate Change, Adaptation & Carbon consequences	<i>As proposals support a continuation of existing local bus services an EIA has therefore not been undertaken.</i>

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APPENDIX 1

contract	service no	service description	operator	comments	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)	annualised price (current)	variance
5627U	521 521A 521B	Bishopton - Erskine	McGills Buses (Option)	Optional timetable and route offering links via Florish Road area of Erskine	Operator	Operator	3	£321,983.00	£107,327.67	£81,256.24	£26,071.43
W022J	365 366 367	Harthill - Shotts - Newmains - Wishaw General Hospital - Ravenscraig	Stuarts Coaches (Option)	Optional timetable offering evening provision reduction	Operator	Operator	3	£597,000.00	£199,000.00	£174,466.24	£24,533.76
W030H1	M2 74	Castlemilk - Toryglen - Croftfoot	Coakley (Option)	Optional Fare Scale, Reduced Timetable	SPT	SPT	2	£153,566.07	£76,783.04	£123,315.92	-£46,532.89
W149E	34A	Forth - Shotts - West Calder	Stuarts Coaches (Option)	Optional timetable offering commercial extensions between Lanark - Forth and West Calder - Livingston	Operator	Operator	3	£388,800.00	£129,600.00	£112,199.88	£17,400.12
4								£1,461,349.07	£512,710.70	£491,238.28	£21,472.42

Package Bid 17562											
contract	service no	service description	operator	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)	annualised price (current)	variance	
9596H	M1 M12 M13 M14 M22 M32 M45 M65 M85 M91 500	Renfrewshire / North Ayrshire MyBus	Shuttle Buses	Operator	Operator	3	£731,952.00	£243,984.00	£176,370.48	£67,613.52	
9620A	M1 M12 M13 M14 M22 M32 M42 500	Ayrshire Area MyBus	Shuttle Buses	Operator	Operator	3	£362,232.00	£120,744.00	£104,234.26	£16,509.74	
2							£1,094,184.00	£364,728.00	£280,604.74	£84,123.26	
6							Grand Total	£2,555,533.07	£877,438.70	£771,843.02	£105,595.68