



## Proposed award of subsidised local bus service contracts

**Committee** Operations

**Date of meeting** 26 January 2024

**Date of report** 17 January 2024

**Report by Head of Bus Strategy & Delivery**

### 1. Object of report

To recommend the Committee approve the award of a number of subsidised local bus service contracts.

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

### 2. Background

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 tenders have been sought for their renewal.

Prior to seeking replacement contracts SPT analyse 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 39 advertised individual local bus contracts, it is proposed to award 26 at this stage with a total contract value of £7,420,891 over a three-year period as detailed in Appendix 1. This will result in an annual increase of £1,451 to the subsidised bus budget costs when compared to the current annual contract value.

In addition to the above, contract W164A6 has been procured on behalf of Renfrewshire Council. The funding for this contract is from developer contributions towards bus service provision supporting new developments. Procured services are in line with the obligations for the use of these funds, as agreed between the local authorities and the developer as part of the planning process.

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

#### 4. Committee action

The Committee is recommended to agree the award of the contracts detailed in Appendix 1, noting that:

- (i) the award of contract 6965G is subject to the approval of South Ayrshire Council and associated funding; and
- (ii) the award of contract W146A6 is subject to the approval of Renfrewshire Council and associated funding, utilising Section 75 funding.

#### 5. Consequences

Policy consequences	<i>Supports the objectives of 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 £259 to SPT in 2024/2025. These awards will also result in costs of £149,582 to Renfrewshire Council (s75 funding) 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>Support for sustainable transport helps to minimise emissions.</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
0902M	7A	Rutherglen/Bankhead - Glasgow	First Glasgow	Late evening journey reduction due to low demand.	Operator	Operator	3	£103,500.00	£34,500.00	£35,987.64	-£1,487.64
2876L	346 335	Cumbernauld - Wardpark Industrial Estate North Cumbernauld Circular	PVT Transfer	Monday to Friday morning journey reduction due to low demand.	Operator	Operator	3	£107,972.00	£35,990.67	£46,347.60	-£10,356.93
4199G	235/236	Bellshill - Holytown - Harthill	ARG Travel	Late evening journey reduction due to low demand.	Operator	Operator	3	£372,568.33	£124,189.44	£104,104.00	£20,085.44
6965G	362	Girvan / Girvan Academy - Pinmore - Colmonell	Shuttle Buses	Subject to the approval of funding partners South Ayrshire Council.	Operator	Operator	1	£106,365.00	£106,365.00	£106,767.96	-£402.96
9556G	M1 M14 R500	East Ayrshire MyBus	Shuttle Buses		Operator	Operator	3	£355,680.00	£118,560.00	£117,013.00	£1,547.00
9619	M90 M91 M99 400	Glasgow/North Lanarkshire MyBus	PVT Transfer		Operator	Operator	3	£656,916.00	£218,972.00	£220,653.00	-£1,681.00
9620	M1 M12 M13 M14 M22 M32 M42 500	Ayrshire MyBus	Millport Motors		Operator	Operator	3	£255,000.00	£85,000.00	£110,326.00	-£25,326.00
W043E	264	Paisley - Ferguslie Park - Pheonix Retail Park	McGills Buses (Option)	Optional timetable offering enhanced provision & optional farescale.	Operator	Operator	3	£37,869.00	£12,623.00	£11,587.68	£1,035.32
W060E	576/578	Greenock - Upper Skelmorlie - Largs	McGills Buses	Late evening journey reduction due to low demand.	Operator	Operator	3	£233,515.00	£77,838.33	£70,220.80	£7,617.53
W094E	21/A	Crosshouse Hospital - Dundonald - Irvine	Shuttle Buses		Operator	Operator	3	£350,064.00	£116,688.00	£89,486.28	£27,201.72
W095F	49/A/B	Logan - Cumnock - Craighens	Shuttle Buses	Monday to Friday morning journey reduction due to low demand.	Operator	Operator	3	£161,166.00	£53,722.00	£57,518.76	-£3,796.76
W119B	330/A 331	Greenock - Pennyfern / Greenock - Branchton	McGills Buses	Late evening journey reduction due to low demand.	Operator	Operator	3	£468,946.00	£156,315.33	£149,110.00	£7,205.33
W132D	103	Glasgow - Barrhead	McGills Buses (Option)	Optional timetable offering enhanced provision & optional farescale.	Operator	Operator	3	£100,280.00	£33,426.67	£68,560.96	-£35,134.29
W140B	166	Neilston - Paisley - Gallowhill	McGills Buses		Operator	Operator	3	£135,137.00	£45,045.67	£40,486.16	£4,559.51
W147G	222	Monklands Hospital/Coatbridge - Kirkwood - Bargeddie - Baillieston	United Coaches (Option)	Optional timetable offering enhanced provision & optional farescale.	Operator	Operator	3	£514,800.00	£171,600.00	£165,079.20	£6,520.80
								£3,959,778.33	£1,390,836.11	£1,393,249.04	-£2,412.93

<b>Package Bid 17528</b>											
<b>contract</b>	<b>service no</b>	<b>service description</b>	<b>operator</b>	<b>comments</b>	<b>bus (proposed)</b>	<b>bus (current)</b>	<b>term (years)</b>	<b>contract price</b>	<b>annualised price (proposed)</b>	<b>annualised price (current)</b>	<b>variance</b>
6266W	343	Ayr - Cumnock - New Cumnock	Western Buses (Option)	Late evening journey reduction due to low demand. Optional farescale.	Operator	Operator	3	£399,447.00	£133,149.00	£145,897.44	-£12,748.44
6269Q	1 2 6	Ayr Town Centre - Hillfoot/Hayhill/Marchburn	Western Buses (Option)	Sunday journey reduction due to low demand. Optional farescale.	Operator	Operator	3	£60,967.00	£20,322.33	£22,163.44	-£1,841.11
6485R	X76	Muirkirk - Cumnock - Kilmarnock	Western Buses (Option)	Optional farescale.	Operator	Operator	3	£352,175.00	£117,391.67	£121,964.96	-£4,573.29
6790L	361	Dunure - Ayr - Straiton	Western Buses (Option)	Late evening journey reduction due to low demand. Optional farescale.	Operator	Operator	3	£794,712.00	£264,904.00	£275,224.04	-£10,320.04
6917L	110	Kilmarnock - Troon	Western Buses (Option)	Optional farescale.	Operator	Operator	3	£150,179.00	£50,059.67	£54,662.40	-£4,602.73
6941B1	347	Rankinston - Drongan - Coyton - Ayr	Western Buses (Option)	Optional farescale.	Operator	Operator	3	£398,573.00	£132,857.67	£108,860.44	£23,997.23
6942U	356	Cumnock - New Cumnock - Bellsbank	Western Buses (Option)	Saturday morning journey reduction due to low demand. Optional farescale.	Operator	Operator	3	£554,787.00	£184,929.00	£186,888.00	-£1,959.00
6951L	352	Ayr - Dalmellington/Burnton	Western Buses (Option)	Optional farescale.	Operator	Operator	3	£33,976.00	£11,325.33	£10,914.80	£410.53
LS087H	42A	Cumnock - Drongan - Ayr	Western Buses (Option)	Optional farescale.	Operator	Operator	3	£43,731.00	£14,577.00	£15,415.40	-£838.40
9								£2,788,547.00	£929,515.67	£941,990.92	-£12,475.25

<b>Package Bid 17534</b>												
<b>contract</b>	<b>service no</b>	<b>service description</b>	<b>operator</b>	<b>comments</b>	<b>bus (proposed)</b>	<b>bus (current)</b>	<b>term (years)</b>	<b>contract price</b>	<b>annualised price (proposed)</b>	<b>annualised price (current)</b>	<b>variance</b>	
2829S	71A	Torrance - Glasgow City Centre	PVT Transfer		Operator	Operator	3	£269,438.00	£89,812.67	£97,522.88	-£7,710.21	
9621A	M18 M93 M94 600 850	Glasgow/East Dunbartonshire DRT	PVT Transfer	Incorporates introduction of additional MyBus provision during peak demand Tuesday to Fridays between 0930-1330 only.	Operator	Operator	3	£403,128.00	£134,376.00	£110,326.49	£24,049.51	
2								£672,566.00	£224,188.67	£207,849.37	£16,339.30	
26								<b>Grand Total</b>	<b>£7,420,891.33</b>	<b>£2,544,540.44</b>	<b>£2,543,089.33</b>	<b>£1,451.11</b>

Section 75									
contract	service no	service description	operator	comments	bus <i>(proposed)</i>	bus <i>(current)</i>	term <i>(years)</i>	contract price	annualised price <i>(proposed)</i>
W164A6	514	Bishopton Station, Dargavel and Braehead (GROSS COST)	McGills Buses	Subject to the approval of Renfrewshire Council.	Operator	N/A	up to 3	£673,117.00	£224,372.33