



Proposed award of subsidised local bus service contract 101/102 (Dumfries – Biggar – Edinburgh)

Committee Operations

Date of meeting 27 January 2023

Date of report 23 January 2023

Report by Chief Executive

1. Object of report

To recommend the Committee approve the award of a subsidised local bus service contract for the 101/102 service. This paper affects the South Lanarkshire area.

2. Background

Service 101/102 provides a direct link from Clydesdale in South Lanarkshire to Edinburgh and Dumfries. The route also serves local communities in Dumfries and Galloway, Scottish Borders and Midlothian as it travels along the A702 providing a link into employment, education, health and leisure for residents along the length of the route.

There are currently 12 journeys each way Monday to Saturday between Edinburgh and Biggar, including 4 trips through to Dumfries in each direction. On Sunday there are 4 trips each way with 2 of the 4 operating between Edinburgh and Dumfries. The route - end to end - is 86 miles in total. Accessing and egressing Edinburgh is a particular challenge for the service given the level of congestion experienced on this section of route, impacting on reliability and requiring the current operator to provide a spare vehicle in Edinburgh to mitigate this issue.

The service is jointly funded by SPT, SWESTRANS and Scottish Borders Council, with Midlothian Council providing a contribution towards the departure charges for Edinburgh Bus Station.

Stagecoach Western delivered the supported service until August 2022 at an annualised cost of £272,000. This service was tendered and subsequently procured by SWESTRANS on behalf of the various funding partners. At the contract renewal no affordable replacement service was identified and a temporary 7 month contract was put in place.

The current temporary 101/102 service contract, arranged by SWESTRANS, ends on 31 March 2023. The annual equivalent cost of this contract £507,940 per annum, representing an 86% increase on the substantive contract which preceded this arrangement. All funding partners agreed that this level of support was unsustainable in the long term.

On behalf of the funding partners, SPT subsequently undertook a tendering exercise in December 2022 with a view to securing a suitable and sustainable replacement within a more affordable financial envelope.

3. Outline of proposals

In terms of the scope of the tendering exercise for the 101/102 service, the funding partners considered a number of different timetable and route options to encourage interest from a range of operators along the route and to meet the needs of users. Feedback was also considered from the communities served, local politicians and campaign group “*Standupforourbuses*”. The latter sharing access to an extensive community survey which was of assistance in this regard.

As a result, 12 different tenders were issued with a return date of 2 December 2022. The tenders issued can be summarised as:

- Modifications on the current Dumfries – Biggar – Edinburgh – Service (i.e. Including a reduction in the number of Monday to Saturday return journeys from Biggar to Edinburgh from 12 to 10 to mitigate reliability / congestion issues on the Edinburgh section of route)
- Splitting of the service at Biggar (i.e. Dumfries to Biggar & Biggar to Edinburgh)
- Splitting of the service at Abington (i.e. Dumfries to Abington & Abington to Edinburgh)
- Truncate the service at Crawford (i.e. Crawford to Edinburgh)
- Truncate the service at Moffat (i.e. Moffat to Edinburgh)

Bids were received from 4 different operators with prices submitted for all 12 tenders issued inclusive of the broad options noted above. Detailed analysis of the bids was completed, however, none of these offerings were financially acceptable to the funding partners and therefore could not be recommended for award.

Further to the above, the tendering exercise was then subsequently closed. SPT, on behalf of the funding partners, then carried out further direct negotiations with operators (including those who submitted tenders and others in the area) with a view to finding a sustainable and affordable solution to maintain links on the route between Dumfries and Edinburgh via Biggar.

As a result of the above exercise, the funding partners recently received a bid of £385,000 per annum from Houstons Coaches based in Lockerbie to operate a 3-year contract (with an optional 2-year extension) for a timetable similar to the one currently operating, commencing 1 April 2023. Note this offer provides 4 return journeys daily from Dumfries to Edinburgh, with a total of 10 return journeys between Biggar and Edinburgh Monday to Saturday and 4 return journeys on Sundays.

4. Committee action

The Committee is recommended to approve:

- (i) the award of the 101/102 service contract to Houstons Coaches at a cost of £385,000 per annum for 3 years (with an optional 2 year extension), effective from 1 April 2023;
- (ii) an SPT funding contribution of £128,333 per annum; and
- (iii) note that the contract award is subject to approval of funding by Scottish Borders Council and Swestrans for their respective contributions for 3 years.

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 conditions of contract for transport contracts.</i>
Financial consequences	<i>The award of the contract 101/102 detailed in this committee paper will result in a cost of £128,333 to SPT in 2023/2024.</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>

Name Neil Wylie
Title **Director of Finance & Corporate Support**

Name Valerie Davidson
Title **Chief Executive**

For further information, please contact *Gordon Dickson, Head of Bus Strategy & Delivery* on 0141 333 3407.