



### **Proposed award of subsidised local bus service contracts – First Glasgow Contract Terminations**

**Committee**            Operations

**Date of meeting**    27 January 2023

**Date of report**    26 January 2023

#### **Report by Chief Executive**

#### **1. Object of report**

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

This paper affects Glasgow, North Lanarkshire and South Lanarkshire council areas.

#### **2. Background**

SPT were recently notified by First Bus that they had elected not to operate a significant number of SPT Supported Services from 5 February 2023 onwards, namely services 189/190, 14, 59, 93, 193, 210, 244, 251, 49 and M4. The operator has cited lack of driver availability. Upon receipt of this notification, SPT notified the operator that ceasing to operate before the end of the agreed contract would be considered as a breach of contract by First Bus, and therefore SPT re-advertise accordingly to avoid any disruption to service delivery.

#### **3. Outline of proposals**

It is proposed to award 8 contracts with a total contract value of £2,103,096.00 as detailed in Appendix 1.

If approved, the annual equivalent cost of the 8 contracts at £1,071,078 represents an increase of £629,133 per annum (142%), based on the preceding arrangements with First Bus. Due to the aforementioned breach of contract, First Bus remain liable for such additional costs relating to these contracts, as per SPT Conditions of Contract.

Members are advised service levels (timetable and route) will be maintained by the new contractors.

Under the proposals Contract W121C1 would be operated using an operator owned vehicle, as opposed to an SPT vehicle as present.

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.

#### 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 awarded will be 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 £96,789 (tbc) in 2023/2024. First Bus remain liable for these costs.</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>

**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*

**APPENDIX 1**

<b>contract</b>	<b>service no</b>	<b>service description</b>	<b>operator</b>	<b>bus (proposed)</b>	<b>bus (current)</b>	<b>term (weeks)</b>	<b>contract price</b>	<b>annualised price (proposed)</b>	<b>annualised price (current)</b>	<b>variance</b>
<b>0914N</b>	189/190	Glasgow Inner Circle	JMB Travel	<b>Operator</b>	<b>Operator</b>	75	<b>£449,984.00</b>	£311,988.91	£140,518.04	£171,470.87
<b>4980K</b>	14	Rutherglen - Fernhill	JMB Travel	<b>SPT</b>	<b>SPT</b>	127	<b>£226,068.00</b>	£92,563.28	£29,840.72	£62,722.56
<b>LS005U</b>	59	Mosspark - Glasgow City Centre	McColl's Travel	<b>SPT</b>	<b>SPT</b>	127	<b>£309,234.00</b>	£126,615.50	£42,967.08	£83,648.42
<b>W008D</b>	93 193 210	Coltness - Wishaw - Netherton Parkside - Wishaw - Pather Lawhill - Wishaw General Hospital	JMB Travel	<b>SPT</b>	<b>SPT</b>	127	<b>£224,680.00</b>	£91,994.96	£50,646.96	£41,348.00
<b>W034C</b>	244	Forgewood - Motherwell - North Lodge	JMB Travel	<b>Operator</b>	<b>Operator</b>	75	<b>£76,145.00</b>	£52,793.87	£21,539.96	£31,253.91
<b>W035C</b>	251	Larkhall - Overton - Wishaw General Hospital	JMB Travel	<b>SPT</b>	<b>SPT</b>	127	<b>£416,333.00</b>	£170,467.06	£63,618.88	£106,848.18
<b>W121C1</b>	49	Southpark Village - Silverburn - Govan	McGill's Buses	<b>Operator</b>	<b>SPT x2</b>	127	<b>£367,916.00</b>	£150,642.77	£48,570.08	£102,072.69
<b>W122B</b>	M4	Anniesland - Partick	McColl's Travel	<b>SPT</b>	<b>SPT</b>	23	<b>£32,736.00</b>	£74,011.83	£44,243.16	£29,768.67

23 weeks =	until 15/07/2023
75 weeks =	until 13/07/2024
127 weeks =	until 12/07/2025

5                      7                      £2,103,096.00                      £1,071,078.16                      £441,944.88                      £629,133.28