

Title of meeting: Cabinet meeting of Member for Traffic & Transportation.

Date of meeting: 8th March 2023

Subject: Supported Bus Services

Report by: Tristan Samuels, Director of Regeneration

Report Author: Peter Shelley, Transport Development Manager

Wards affected: All wards

Key decision: Yes

Full Council decision: No

1. Purpose of paper:

The purpose of this paper is to seek approval to maintain public transport links for residents in response to the deregistration of three supported and one commercial bus service.

2. Recommendations:

It is recommended that the Cabinet Member for Traffic and Transportation:

- 2.1 Approves the tender of the current supported bus service contracts to start 30 July 2023. To delegate authority to the Director of Regeneration in consultation with the Cabinet Member for Traffic and Transportation and Section 151 Officer to procure contracts on the above supported bus routes;**
- 2.2 Approves the tender of a replacement for the currently commercial bus service 18 to start 30 July 2023. To delegate authority to the Director of Regeneration in consultation with the Cabinet Member for Traffic and Transportation and Section 151 Officer to procure contracts on the above bus route;**
- 2.3 Approves funding for the 13/14, 18 and 22 bus services from 2 April 2023 to 29 July 2023 to maintain transport links for residents, the cost to be met firstly from any underspends in the 2023/24 Concessionary fares revenue budget and any balance from the Parking Reserve;**

- 2.4 Approves the use of Portsmouth Bus Service Improvement Plan (BSIP) expenditure to enhance services including 13, 14, 18, 22 and 25 subject to investigation of options as detailed in the Portsmouth BSIP. To delegate authority to the Director of Regeneration in consultation with the Cabinet Member for Traffic and Transportation and Section 151 Officer to procure contracts on the above supported bus routes to enhance services;**
- 2.5 To procure any necessary local bus services as a result of commercial de-registrations or the cessation Bus Recovery Grant in March 2023 to 28 October 2023 with delegated authority to the Director of Regeneration in consultation with Cabinet Member for Traffic and Transportation and Section 151 Officer;**
- 2.6 Notes that a paper will be brought back to a Traffic and Transportation Cabinet meeting in June 2023, following the completion of the procurement process to re-tender the contracts and recommend awards. This paper would also deal with any short-term procurements as a result of commercial de-registrations or the cessation of Bus Recovery Grant in March 2023.**

3. Background

- 3.1** The Transport Act 1985 outlines the statutory duty and powers of Portsmouth City Council, to consider the provision of bus routes where there are no commercial services, but there is demand from residents and visitors who otherwise would be unserved by public transport.
- 3.2** Portsmouth has a relatively compact bus network, which has been facilitated by previous investment, which is planned to continue through South East Hampshire Rapid Transit (SEHRT) and the National Bus Strategy, including bus priority, a comprehensive real time passenger information (RTPI) offer and good on street bus infrastructure. However, the commercial public transport network has been impacted significantly since the COVID pandemic, as ridership levels have not returned to pre-pandemic levels.
- 3.3** The council currently subsidises bus services 12,13/14, 22 and 25. These routes cover large residential and commercial areas of the city which otherwise do not benefit from a bus service. These routes provide essential travel links for those residents not served by the commercial bus network, which have been identified through proactive consultation exercises and feedback from the public.
- 3.4** All Portsmouth City Council supported bus contracts were awarded through a competitive tender in 2016. At the decision meeting of the Cabinet Member of Traffic & Transportation in December 2021, approval was given for the extension of all five existing supported bus service contracts from 1st January 2022 up to

31 December 2022. This was due to continued uncertainty of the effects of the pandemic and awaited announcement of the Bus Service Improvement Plan funding. The extension was also subject to approval of a waiver by procurement and legal, which was given in December 2021.

- 3.5 At the meeting of the Cabinet Member for Traffic and Transportation in July 2022 permission was given to extend the local bus tenders to 31 July 2023 to progress the procurement process and to deal with the emerging financial impact locally of the nationwide network review which was initiated by the Department for Transport. The contract history was set out in detail in the December report.
- 3.6 At the meeting of the Cabinet Member for Traffic and Transportation in December 2022 permission was given to extend the local bus tenders to 28 October 2023 to progress the procurement process and to deal with the effect on operators of rising staff and material costs, and the ongoing impact of the pandemic on passenger numbers and the viability of bus services.
- 3.7 As recognised in the December report, uncertainty over the continuation of the Bus Recovery Grant beyond March 2023 could lead to a further reduction in commercial bus services. On 23 December 2022, local bus operator, First Solent gave notice on their contracts for supported services 13/14 and 22 after 1 April 2023. The 13/14 are currently funded by the council on Sundays and the 22 daily. First stated that they would require council funding seven days a week for the 13/14 and increased funding if they were to continue running the 22. First announced that they would also be de-registering currently commercial service 18 from the same date and would require council funding if that service was to continue.
- 3.8 First Solent is now part of a wider management area which has looked again at costs and as part of this is ceasing all operations in Southampton after 18 February 2023. The new costs to continue the 13/14 and the 22 are higher than those previously reported while the additional cost of funding the 18 represents a significant extra cost. First Solent have calculated their costs on the basis the Bus Recovery Grant will cease after March. For this reason, after discussion with the council's procurement service, it is proposed to revert to a contract re-tender date of the end of July to maintain essential transport links and ensure best value for council taxpayers.

4 Services Affected

- 4.1 Portsmouth City Council currently supports the following bus services outlined in table 1, except for service 18. Supported services 12 and 25 are unaffected by First Solent's deregistrations.

Table 1:

Bus service	Route
12	Tipner - North End - Chichester Road - Fratton Way
13/14	City Centre - Fratton - Milton - Baffins
22	Highbury - Cosham - - Drayton - Farlington
25	The Hard - Old Portsmouth - Southsea - Eastney - Hayling Ferry
Commercial Service	
18	Paulsgrove - QA Hospital - Cosham - North End - Fratton - Southsea

- 4.2 In view of the timescale, and for continuity, it is proposed to maintain existing timetables with options for improvements invited through the tender process with the exception of the 18 where terminating journeys at Southsea shops would allow a 30 minute timetable rather than the current 35 minute timetable to be provided. In the case of the 13/14, additional journeys are provided at peak-times for students attending the Tangier Road campus of Portsmouth City College. The college already provides a number of buses for students and continuing the current extra journeys until July 2023 will allow the college time to make arrangements for the new academic year.

5 Reasons for recommendations

- 5.1 The proposals will maintain essential transport links for residents
- 5.2 Undertaking a competitive tender process will ensure best value for council taxpayers.

6 Integrated Impact Assessment

- 6.1 An Integrated Impact Assessment is found in Appendix B and identifies the following impacts:
- The supported bus services improve quality of life and mental health for those who may be isolated without them.

- The continuation of the supported services will support those protected characteristics who utilise the services particularly gender, age and disability.
- The continuation of supported bus services supports modal shift from private car and supports cleaner air.
- Some services may support individuals in accessing employment, education and training.

7. Procurement implications

- 7.1 As noted within the Legal section below the services in question fall within the scope of the Public Contracts Regulations (2015) and the Council's own Contract Procedure Rules.
- 7.2 Whilst there is time to accommodate a fully compliant tendering process the timescales are tight and there is little room for any delay. Procurement will prioritise the tendering of this contract and allocate resource, although this may have some impacts upon the progression of other procurement activities.
- 7.3 It is noted that the contracts have not been tendered for some time, as such it is key that over the coming weeks work is focused into the development of an effective specification, contract terms, performance monitoring model, tendering strategy and detailed procurement timetable. This will help to ensure that the council's current and future requirements can be effectively met through the new contracts.
- 7.4 Procurement will work directly with the service and legal colleagues to refine the council's requirements through collaborative workshops, peer review with fellow local authorities and market sounding with suppliers.

8. Legal implications

- 8.1. The Council has a duty under the Transport Act 1985 ("TA") "to secure the provision of such public passenger transport services as the Council consider it appropriate to secure to meet any public transport requirements within the city which would not in their view be met apart from any action taken by them for that purpose".
- 8.2. To secure the duty, the Council has the power to enter into agreements for the provision of service subsidies, but this is limited to where the service would otherwise not be provided to a particular standard but for the subsidy. "Standard" in this instance meaning the frequency or timing of the service, the days or times of day the service is provided and the vehicles used to provide the service.

- 8.3. The exercise of the power by the Council is conditional on a competitive tender being undertaken, which must have consideration for a "combination or economy, efficiency and effectiveness" and "the reduction or limitation or traffic congestion, noise or air pollution". These agreements must not exceed 8 years.
- 8.4. The Council does have the power to subsidise services, without competitive tender, where the subsidy is urgently required for the purpose of maintaining an existing service. Were this decision challenged, the court would likely consider the ordinary meaning of the word urgent i.e. requiring immediate action or attention, when deciding whether the conditions have been met, and would also consider things such as the Council's own conduct when deciding whether such circumstances were urgent. If the Council was unable to evidence this then that would expose the Council to legal, financial, and reputational risk until the services are re-tendered, or the non-compliant subsidy is withdrawn.
- 8.5. The Council must ensure that any route it chooses to subsidise on an urgent basis is subject to competitive tender and must invite tenders for the provision of the subsidised service as soon as possible. Any agreement entered into which is exempt from the tender process, may only remain in force for a period of 3 months after the tenders have been received as part of the tender process.
- 8.6. These services are standard services under the Public Contract Regulations 2015 ("PCR") and so the Council must procure the services in accordance with Part 2 of PCR. The timetable for the procurement proposed is challenging with there likely to be little contingency should matters be delayed.

9. Director of Finance's comments

- 9.1 The cost to maintain the 13/14,18 and 22 routes from 2 April to 29 July 2023 will be met firstly from any underspends in the 2023/24 Concessionary fares revenue budget.
- 9.2 This is in accordance with DfT guidance which states that any underspends arising from a revision of the Concessionary Fares reimbursement methodology will be earmarked in the first instance to fund reinstating any bus service withdrawals during 2023/24.
- 9.3 Should the forecast underspends in the Concessionary fares revenue budget not cover the cost of the recommendations set out in this report, the balance will be sought from the Parking Reserve.

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Signed by:

Appendices:

Appendix A - Route Maps for the bus services in this report

Appendix B - Integrated Impact Assessment (IIA)

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Portsmouth supported bus services - Report to Cabinet Member for Traffic and Transportation, December 2022	Report presented to the Cabinet Member or Traffic & Transportation on Thursday 8th December 2022
Portsmouth supported bus services. Report to Cabinet member for Transport and Transportation July 2022	Agenda for Cabinet Member for Traffic & Transportation on Thursday 28th July, 4:00pm Portsmouth City Council.
Portsmouth's Bus Service Improvement Plan (BSIP)	Public transport - Travel Portsmouth
Bus Back Better	Bus back better - GOV.UK (www.gov.uk)

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by:

Appendix A - Route maps for bus services in this report

Service 13/14



Service 18



Service 22

