



## **NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

### **Cabinet**

**14<sup>th</sup> February 2024**

### **Report of Head of Engineering and Transport – David W Griffiths,**

#### **Matter for Information**

**Wards Affected:** All Wards

#### **1. Report Title**

Local Bus Tendering – Award of local bus contracts.

#### **2. Purpose of Report**

- I. To inform Members of the funding available for supporting Local bus services in financial year 2024-2025.
- II. To inform Members of the tendering outcome, in relation to the services maintained.
- III. To inform Member of the bus services reinstated as a result of the tendering process.

#### **3. Executive Summary**

Members will be aware that Local Bus Services have been supported financially by Welsh Government since the pandemic via the Bus Emergency Scheme and more recently the Bus Transition Fund.

The Bus Transition Fund will cease on 31<sup>st</sup> March 2024. The intention thereafter is that all Local Services which operate in Wales shall either be

operated as a Commercial Service; or operated pursuant to a new Supported Services Contract by the Local Authorities.

The funding allocation across Wales has reduced by £3M from £42Million in 2023/24 to £39Million in 2024/25 and the terminology has changed from Bus Transition Fund (BTF) to Bus Network Grant (BNG). The funding remains as a regional scheme and the South West Region have received £10.06M. A reduction of £733,700 from the £10.8M allocated in 2023/24. Despite the reduction, as a result of the recent tendering exercise, the funding is sufficient to support the local bus network.

Due to the expiry of the Bus Transition Fund, the Council has awarded 42 contracts. All Contracts received at least one bidder and all contracts offered have now been accepted. The contract prices returned were very competitive which allowed all contracts to be offered within the budget available.

As a result of the tendering process Officers were in a position to offer contracts to reinstate bus services that had been rationalised in October 2023 based on requests from Members and the public. Not all routes that were rationalised have been reinstated because not all changes generated requests and therefore in some cases these services may have been unnecessary, but all the requests have been accommodated.

The reinstated Network will include the following additions:

- Service X6 (Morning) Ystradgynlais to Swansea Bus Station
- Service 256 (Morning) Neath Victoria Gardens to Pontardawe
- Service 256 (Evening) Neath Victoria Gardens to Pontardawe
- Service 38 (Sunday) Swansea Bus Station to Neath Victoria Gardens
- Service 81 (Hourly) Port Talbot Bus Station to Brynbryddan
- Service 82 (Hourly) Port Talbot Bus Station to Sandfields Estate (Golden Avenue)

#### **4. Background**

The travelling public have not returned to the Local Bus service and passenger numbers remain nearly 50% down on pre covid levels throughout Wales. Therefore, bus services that were previously commercially viable are no longer commercially viable to the bus operators but are socially and economically necessary for many

passengers who don't have access to a car, enabling them to access health, school or work opportunities for example.

Welsh Government have supported the bus operators by supplying grants, namely the Bus Emergency Scheme (BES) during and immediately after the pandemic and from the 28<sup>th</sup> July 2023 the BES has been replaced by the Bus Transition Fund (BTF).

Unfortunately, the BTF was less in monetary value than its predecessor and bus operators throughout the Council and the Country have cancelled or reduced services to meet the reduced funding available. As a result, many services have been affected in NPTCBC and across Wales.

Further, BTF will cease on 31<sup>st</sup> March 2024 to be replaced by an alternative grant to support bus services from April 2024 namely the Bus Network Grant (BNG). The intention thereafter is that all the Local Services which operate in Wales shall either be operated as a Commercial Service; or operated pursuant to a new Supported Services Contract by the Local Authorities.

The Council has surveyed the bus operators to identify which routes they perceive to be commercially viable from April 24. To date from 33 routes (42 contracts) surveyed only 3 will be commercially viable from April next year and this depends upon passenger numbers being stable. As a result, the Council has tendered all the remaining routes.

The tendering was undertaken via the Council's Passenger Transport Unit's Dynamic Purchasing System and following the positive outcome of the tendering process, Officers have awarded contracts to the value of £3,086,883 per year as set out in Appendix 1. The Contracts awarded via the Passenger Transport Unit's Dynamic Purchasing System state in their terms that the Council shall have the right to terminate the Contract, or any part thereof by giving the Contractor thirty calendar days' notice in writing. This may be relied upon and notice served on Operators in the event that Welsh Government funding does not materialise.

### **Passenger Transport existing resources.**

To administer and manage these contracts it is noted that additional staffing resource will be required from 1<sup>st</sup> April 2024 as all bus services in Neath Port Talbot will now be contracted by the Council with the exception of service 87 between Neath and Port Talbot, the X1 between Swansea

and Bridgend via Port Talbot and the Traws Cymru Service T6 from Ystradgynlais via Neath to Swansea which will remain commercially viable and managed by the bus company and Transport for Wales respectively. The additional administrative and operational duties placed upon the Passenger Transport section as a result of these changes will necessitate a review of the current staffing arrangements that are already at capacity and a business case will need to be developed to ensure the services are sustainable and future proofed to manage the implementation of Welsh Government's proposed Franchising arrangements and the design of the longer-term bus network, both locally and regionally.

By way of further background:

Bus service franchising means that decisions about routes, frequencies, hours and days of operation, and fares are no longer at the whim of operators, but are taken by a Transport Authority which is democratically answerable to the public.

This would also allow the Council, Transport for Wales and Welsh Government to introduce a franchise with the following benefits:

1. To negotiate deals with selected operators who could share increased revenue from improving ridership
2. allow for penalties to be imposed on bus operators who fail to fulfil contract specifications
3. purchase or lease operating centres (garages and out-stations) and lease these to new operators
4. require operators to issue standard tickets valid across the whole network
5. prohibit operators from on-street competition (e.g. offering competing travel deals valid only on their own services)
6. specify a minimum quality of vehicle
7. require all operators to install RTPi (real-time passenger information)-compatible and smart traffic signal-compatible ticket machines.

## **5. Financial Impacts**

There is no financial risk in awarding the contracts. A letter of comfort has been received from the Deputy Minister for Climate Change requesting that Local Authorities secure and award contracts within the

regional budget envelope of £10,058,100 for the South West Wales Region. Appendix 2.

## **6. Integrated Impact Assessment**

There is no requirement to undertake an Integrated Impact Assessment as this report is for information purposes’.

## **7. Valleys Communities Impacts**

Awarding the contracts will maintain socially necessary bus services in valley communities.

## **8. Workforce Impacts**

There is no negative workforce impact by introducing the new contracts however resource will be required to manage the additional contracts which will now be managed and administered by the Council.

## **9. Legal Impacts**

The Local Bus Contracts were advertised and awarded via the Passenger Transport Dynamic Purchasing System in line with the Council’s Contract Procedure Rules of purchasing and in accordance with the Council’s terms and conditions.

## **10. Risk Management Impacts**

There is a potential risk of Bus Operators challenging the decision to award contracts if they have not been successful in the tendering process. The contracts are awarded via the Passenger Transport Dynamic Purchasing System which is open and transparent. The award details are published quarterly to mitigate any challenge.

Council Officers waited for a letter of comfort from Welsh Government regarding the funding allocation before awarding tenders.

The Contracts awarded via the Passenger Transport Unit’s Dynamic Purchasing System state in their terms that the Council shall have the right to terminate the Contract, or any part thereof by giving the Contractor thirty calendar days’ notice in writing. This may be relied upon and notice

served on Operators in the event that Welsh Government funding does not materialise.

## **11. Consultation**

There is no requirement under the Constitution for external consultation on this item.

## **12. Recommendations**

That Members note the report.

## **Appendices**

Appendix 1. Schedule of Local Bus tenders awarded.

Appendix 2. Bus Network Grant Letter of comfort from WG.

## **List of Background Papers:**

None

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