

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 16th September 2014
Report of: Executive Director of Strategic Commissioning
Subject/Title: Award of Contracts for Supported Local Bus Services
Portfolio Holder: Cllr David Topping, Service Commissioning

1.0 Report Summary

1.1 This report seeks approval to award the contract for bus services as shown.

Service	Start Date	End Date	Contract Value £
39 Nantwich-Wybunbury-Crewe	27.10.14	23.10.21	546,000
42 Crewe-Middlewich-Holmes Chapel-Congleton	27.10.14	23.10.21	1,043,000
51/52/72/73 Nantwich Area Services	27.10.14	23.10.21	1,365,000
90/91/92 Congleton Local Services	27.10.14	23.10.21	1,246,000

2.0 Recommendations

2.1 That Cabinet approve the award of seven year contracts for local bus services to GHA Coaches as shown in paragraph 1.1.

3.0 Reasons for Recommendations

3.1 This is for the continuation of bus services, with minor variations, currently in operation and with high patronage. The fully compliant procurement and tender evaluation has identified GHA Coaches as the preferred bidder for all four contracts

4.0 Wards Affected

- 4.1 Service 39 – Nantwich North & West, Nantwich South & Stapeley, Wybunbury, Willaston & Rope, Shavington and Crewe South.
- 4.2 Service 42 – Crewe Central, Crewe East, Crewe North, Crewe South, Crewe St Barnabas, Crewe West, Brereton Rural, Middlewich, Dane Valley, Congleton East and Congleton West.

4.3 Nantwich area services – Nantwich North & West, Nantwich South & Stapeley, Wrenbury and Audlem.

4.4 Congleton local services – Congleton East and Congleton West.

5.0 Local Ward Members

5.1 Service 39 – Cllr Butterill, Cllr Moran, Cllr Groves, Cllr Martin, Cllr Clowes, Cllr Silvester, Cllr Brickhill, Cllr Flude and Cllr Hogben.

5.2 Service 42 – Cllr Faseyi, Cllr Martin, Cllr Newton, Cllr Thorley, Cllr Grant, Cllr Flude, Cllr Hogben, Cllr Cartlidge, Cllr Hickson, Cllr Sherratt, Cllr Wray, Cllr Edwards, Cllr McGrory, Cllr Parsons, Cllr Gilbert, Cllr Kolker, Cllr Brown, Cllr Mason, Cllr Thwaite, Cllr Baxendale, Cllr Domleo and Cllr Topping.

5.3 Nantwich area services – Cllr Butterill, Cllr Moran, Cllr Groves, Cllr Martin, Cllr Davies and Cllr Bailey.

5.4 Congleton local services – Cllr Brown, Cllr Mason, Cllr Thwaite, Cllr Baxendale, Cllr Domleo and Cllr Topping.

6.0 Policy Implications

6.1 The award of the contracts falls within the Councils Public Transport Support criteria.

7.0 Implications for Rural Communities

Award of these contracts will ensure continued service provision to a number of rural areas in the south of the borough, areas which otherwise would have no public transport provision.

8.0 Financial Implications

8.1 The financial support for these bus services will be met from the Public Transport Budget but will provide savings as outlined below.

8.2 For service 39 the current annual cost is £114,000 (£570,000 for the five year period). The total cost of the new contract will be £546,000 for a seven year period, a saving of £36,000 and an additional two years contract period.

8.3 For service 42 the current annual cost is £198,000 (£990,000 for the five year period). The total cost of the new contract will be £1,043,000 for a seven year period, a saving of £49,000 on the annual price and with the additional two years contract period.

8.4 For the Nantwich area services the current annual cost is £287,000 (£1,435,000 for the five year period). The total cost of the new contract will be £1,365,000 for a seven year period, a saving of £92,000 and an additional two years contract period.

8.5 Since August 2012 the Congleton local area services have operated commercially although a subsidy was agreed latterly. This avoided early de-registration, a gap in the bus service network and allowed time for the required procurement exercise. Prior to August 2012 the annual cost was £127,000. The annual cost of the new contract will be £178,000 however this is a Minimum Cost Contract (revenue is credited to the Council) and the annual revenue is estimated to be £60,000, net cost £118,000.

9.0 Legal Implications

9.1 The Transport Unit has undertaken a procurement exercise that complies with the Public Contracts Regulations 2006 to select a service provider. The contract will operate on the Council's standard terms and conditions for passenger transport services.

10.0 Risk Management

10.1 The Council's standard terms and conditions for passenger services allows for termination of contracts by either side with notice of 84 days, therefore should finances cease to be available there is a relatively short notice period required

10.2 The Council's standard terms and conditions for passenger services lays down service delivery standards and procedures to be applied should these standards not be met.

11.0 Background and Options

11.1 Service 39 has approximately 14,200 passenger journeys per year.
Service 42 has approximately 90,000 passenger journeys per year
The Nantwich area services have approximately 92,600 passenger journeys per year.
The Congleton local services have 45,000 passenger journeys per year (estimate).

11.2 At any time a licensed bus operator can register a commercial bus service with the Traffic Commissioner to operate without financial support from the Council, however no such registration has been received for these services.

12.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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