



Proposed award of subsidised local bus service contracts

Committee Operations

Date of meeting 28 April 2023

Date of report 4 April 2023

Report by Chief Executive

1. Object of report

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

This paper affects East Ayrshire, East Renfrewshire, Glasgow, Inverclyde, North Ayrshire, North Lanarkshire, South Lanarkshire and West Dunbartonshire Council areas.

2. Background

SPT subsidised bus services which are not provided by the commercial market but which are considered socially necessary in accordance with the approved framework. A proportion of these contracts are due to expire in July 2023 and tenders have been sought for their renewal.

Prior to seeking replacement contracts SPT analyse existing provision, reviewing performance data for each specified journey within each service, to align provision with actual demand. In addition, the opportunity is also taken to determine whether contracts can be amalgamated in situations where this may improve connectivity and overall sustainability.

Operators wishing to bid must submit compliant tenders but optional prices are also considered whereby the operator may submit an option which offers efficiency savings to SPT. It is also permissible for operators to package contracts where this may provide better value for money.

3. Outline of proposals

Of the 15 advertised local bus contracts, it is proposed to award 12 at this stage with a total contract value of £3,791,696 as detailed in Appendix 1. This will result in an annual increase of £241,640 to the subsidised bus budget costs when compared to the current annual contract value.

As previously reported, SPT was notified by First Bus that they had elected not to operate a significant number of SPT supported services from 5 February 2023 onwards: services 189/190, 14, 59, 93, 193, 210, 244, 251, 49 and M4 with the operator citing lack of driver availability. SPT notified the operator of its intention to terminate these contracts, due to the breach of contract by First Bus, and to re-advertise accordingly. The award of contracts 0914P and LS005W noted within this paper relates to the replacement on a "like for like" provision for those contracts previously held by First Bus.

In addition to the above, contracts W157A and W162A have been procured on behalf of local authorities. The funding for these contracts is from developer contributions towards bus service provision supporting new developments. Procured services are in line with the obligations for the use of these funds, as agreed between the local authorities and the developer within the planning process. The availability of funding is time limited in line with the obligations.

The Committee is also advised that the contract for service 59 and M4 currently utilises an SPT vehicle and will now be operated from the renewal date by an operator owned vehicle.

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, noting that:

- (i) the award of contract W149C2 is subject to the approval of West Lothian Council for an apportioned funding contribution;
- (ii) the award of contract W157A is subject to the approval of East Renfrewshire Council and associated funding; and
- (iii) the award of contract W162A is subject to the approval of North Lanarkshire Council and associated funding.

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 awards 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 increased costs of £587,154 in 2023/2024 when compared to the 2023/2024 budget projection. This includes additional costs to SPT of £89,683. The remaining costs will be met by East Renfrewshire Council, North Lanarkshire Council and also First Glasgow (for additional costs relating to replacement contracts).</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

As proposals support a continuation of existing local bus services an EIA has therefore not been undertaken.

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

contract	service no	service description	operator	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)	annualised price (current)	variance
0906M	46	Castlemilk - Rutherglen - Parkhead - Queenslie	JMB Travel	Operator	Operator	2	£399,202.00	£199,601.00	£156,433.16	£43,167.84
6487L	219	Stewarton Local	Shuttle Buses (Option)	Operator	Operator	3	£132,624.00	£44,208.00	£26,163.80	£18,044.20
6979N	113	Irvine - Stewarton	Shuttle Buses (Option)	Operator	Operator	3	£198,064.00	£66,021.33	£39,615.16	£26,406.17
W087E	64, 164, 364	City Centre - Parkhead - Halfway/New Farm	McGills Buses (Option)	Operator	Operator	3	£749,442.00	£249,814.00	£200,003.44	£49,810.56
W149C2	34A	Forth - Shotts - West Calder	Stuarts Coaches (Option)	Operator	Operator	1	£112,200.00	£112,200.00	£112,199.88	£0.12
W154A	3	Glenboig - Coatbridge	United Coaches (Option)	Operator	Operator	2	£91,000.00	£45,500.00	£43,680.00	£1,820.00
W159	330A	Greenock - Overton/Pennyfern	McGills Buses	Operator	Operator	1	£94,627.00	£94,627.00	£104,052.00	£-9,425.00
W163	530A	Kilmacolm - Port Glasgow	McGills Buses (Option)	Operator	Operator	3	£187,404.00	£62,468.00	£51,376.00	£11,092.00
							£1,964,563.00	£874,439.33	£733,523.44	£140,915.89

Package Bid 17491										
contract	service no	service description	operator	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)	annualised price (current)	variance
W057E	11	Gartnavel Hospital - Clydebank	Craig of Campbeltown Ltd t/a Glasgow Citybus (Option)	Operator	Operator	3	£255,066.42	£85,022.14	£43,023.24	£41,998.90
W122C	M4	Annisland - Partick	Craig of Campbeltown Ltd t/a Glasgow Citybus (Option)	Operator	SPT	3	£205,521.65	£68,507.22	£74,011.60	£-5,504.38
							£460,588.07	£153,529.36	£117,034.84	£36,494.52

Package Bid 17492										
contract	service no	service description	operator	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)	annualised price (current)	variance
4856N	255	Netherburn - Larkhall - Hamilton	Whitelaws Coaches Ltd (Option)	Operator	Operator	5	£366,560.00	£73,031.11	£60,909.16	£12,121.95
W075G	253,254	Coalburn - Hamilton 253 Stonehouse - Strathaven - Hamilton 254	Whitelaws Coaches Ltd (Option)	Operator	Operator	5	£999,985.00	£199,230.73	£147,122.56	£52,108.17
							£1,366,545.00	£272,261.84	£208,031.72	£64,230.12
Grand Total							£3,791,696.07	£1,300,230.53	£1,058,590.00	£241,640.53

First Glasgow Contract Terminations										
contract	service no	service description	operator	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)	annualised price (current)	variance
0914P	189/190	Glasgow Inner Circle	JMB Travel	Operator	Operator	1	£433,405.00	£433,405.00	£140,518.04	£292,886.96
LS005W	59	Mosspark - City Centre	McGills Buses	Operator	SPT	2	£286,175.00	£134,063.96	£57,689.32	£76,374.64
							£719,580.00	£567,468.96	£198,207.36	£369,261.60

Section 75										
contract	service no	service description	operator	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)	annualised price (current)	variance
W157A	M7	Maidenhill - Patterton - Whitecraigs - Patterton - Maidenhill (GROSS COST)	McGills Buses	Operator	N/A	3	£577,327.00	£192,442.33		
W162A	92	Motherwell - Ravensraig (GROSS COST)	Stuarts Coaches	Operator	N/A	6	£1,123,200.00	£186,601.92		
							£1,700,527.00	£379,044.25		