

Somerset Council
Climate and Place Scrutiny Committee
– 22nd November 2023



Decision to award a contract for the provision of the Park & Ride Service in Taunton

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Executive Lead Member: Cllr Mike Rigby – Lead Member for Transport and Digital Division / Local Member: Cllr John Hunt and Cllr Caroline Ellis – Bishops Hull & Taunton West, Cllr Ross Henley and Cllr Sarah Wakefield – Blackdown & Neroche

1. Summary

- 1.1.** The current operator of the Taunton Park and Ride service has given notice on the contract as it is no longer financially viable for them to continue with the current contract. A new contract is required from 12th February 2024 to ensure we can continue to deliver a Park and Ride service within the town.
- 1.2.** An open tender was advertised through the Southwest Supplier Portal, with support from the Commercial and Procurement Team. The tender included Lots for two different options related to service delivery as follows:
 - Lot 1: Monday to Friday with frequency every 15 minutes and Saturday frequency every 20 minutes (4 single decker vehicles)
 - Lot 2: Monday to Friday and Saturday with frequency every 20 minutes (3 double decker vehicles)
- 1.3.** The contract has been tendered to operate from both the Silks Mills and Gateway sites, serving the town centre and Musgrove Park Hospital, as well as a number of other designated stops along the route. The £1 single fare currently funded through the Bus Service Improvement Plan (BSIP) will continue to apply on the service until the end of the BSIP funding period of March 2025.
- 1.4.** Following evaluation of the bid submissions, the Most Economically Advantageous Tender (MEAT) has been identified. A report relating to the award of the contract will be considered at Executive on 6th December 2023.

2. Issues for consideration / Recommendations

- 2.1. Scrutiny is asked to note and consider the recommendation being put to Executive on 6th December 2023, to award a contract on a 3+2+2 year basis for the delivery of the Taunton Park & Ride service, subject to sufficient funding being confirmed through Executive's consideration of the financial position also on 6th December 2023.**

3. Background

- 3.1.** The current Park and Ride contract has been let as a 'cost contract' and as such all revenue taken on the service is retained by Somerset Council. The cost contract enables the Authority to have more control over fares. This has been particularly beneficial when implementing free fares for a period of time between August 2021 and August 2022 during the significant roadworks that took place along Toneway. The free fares initiative was designed to mitigate congestion and potential delays caused by the road works by encouraging people to use the Park and Ride service rather than driving into the town centre.
- 3.2.** During the period of free fares, there was a dramatic increase in patronage, as the graph at Appendix A shows. In order to retain passengers who had commenced travelling during the free fare period a bid was submitted to government as part of the Bus Service Improvement Plan (BSIP) to subsidise fares and reinstate tickets for fare paying passengers at £1 for a single, £2 for a return and a 50% concession for children. Concessionary pass holders travel free of charge after 9.30am.
- 3.3.** The result of the £1 fare, which was introduced in September 2022, was that a significant proportion of passengers were retained on the service and they have made approx 40,000 journeys a month since the introduction of the fare. However, since June 2023 each month has seen in excess of 40,000 passenger journeys, as shown in Appendix A. Therefore, the contract has been retendered as a 'cost contract' to enable us to manage the fares and continue offering the £1 single fare/£2 return.
- 3.4.** Following the rising fuel prices, cost of inflation and the knock-on effect on operating costs, the contract was no longer financially viable for the current operator, and they gave notice on the contract. This resulted in the need to re-tender the contract. This has been done for a 3-year contract initially with the option to extend for two further periods of 2 years each.
- 3.5.** The tender specification included the two different Lots set out at paragraph 1.2, which has enabled us to test the market for both options and consider the affordability of each option.
- 3.6.** The option to deliver the service in-house has also been explored and discounted on the basis that it does not offer any financial benefit compared to the contract and would expose the Council to additional risk.
- 3.7.** The council has an option not to award this contract and discontinue the service in order to achieve financial savings in light of the financial emergency.

4. Consultations undertaken

- 4.1.** Legal Services were consulted in relation to the contract terms and conditions prior to the tender being let.
- 4.2.** Commercial and Procurement colleagues were consulted in relation to the procurement exercise, they supported the process to ensure we followed a compliant route to market.
- 4.3.** Finance colleagues were consulted in relation to the funding implications set out in section 5 below and also when exploring the viability of an in-house option.
- 4.4.** The Lead Member for Transport and Digital has been consulted throughout the procurement process and is supportive of the recommendation being taken to Executive on 6th December 2023.

5. Implications

Financial Implications

- 5.1.** Income is generated through fares revenue taken on the Park and Ride service and also through the rental of car parking spaces at the Gateway Park and Ride site to EDF (for staff at Hinkley Point using their bespoke Park and Ride Service). The forecast income currently generated through these revenue streams is sufficient to fund the cost of running the Park and Ride service without a revenue funding contribution from the Council, although the rental of parking space is a general income stream not necessarily tied to the operation of the Park and Ride service. As the construction at Hinkley Point moves towards completion over the next few years, the rental income will reduce in line with reduced demand from EDF personnel needing to access the site.
- 5.2.** The creation of the Unitary Authority provides the opportunity to implement a more integrated parking policy which reduces demand for town centre parking and encourages use of the park and ride in Taunton through managing parking charges. This would have the benefit of reducing congestion and carbon emissions in the town centre whilst ensuring operating costs can be covered by fare income and parking income. The contract allows the Authority to give 12 months' notice to terminate the contract without cause should the funding model become unsustainable in the future.

Equalities Implications

- 5.3.** Prior to commencing the procurement exercise, an Equalities Impact Assessment was completed for both frequency options to ensure all impacts were considered and mitigating action factored into the procurement process where appropriate.
- 5.4.** The implications highlighted related to accessibility, capacity for wheelchairs and also the impact for certain protected groups if timetables and information displays are not provided correctly. The tender specification addressed the issues around accessibility, policy for wheelchair users and the need for compliance with the reasonable adjustment element of the Equalities Act 2010.

Climate Change and Sustainability Implications

- 5.5.** The award of the contract will ensure the continued provision of an alternative parking option for car users not wishing to travel into the town. Signage on the main routes into the town will continue to promote the use of the Park and Ride sites. This aims to reduce the number of cars travelling into the town centre and reduce congestion as well as carbon emissions.

Health and Wellbeing Implications

- 5.6.** The continued provision of a Park & Ride service facilitates access to essential employment, retail, leisure, social and health services which helps people remain independent, healthy and active. It is the only regular bus route serving Musgrove Park Hospital throughout the day. The service also provides an affordable all-day parking option for many people working within the town centre.

6. Background papers

- 6.1. NKD authorising the commencement of a procurement exercise – 14th July 2023**

Note For sight of individual background papers please contact the report author