

EXECUTIVE BOARD - 18 April 2017

Subject:	Contract for Locallink L10, L11 and L14 Bus Services
Corporate Director(s)/Director(s):	Peter Price, Director of Traffic and Transport David Bishop, Corporate Director of Development and Growth
Portfolio Holder(s):	Cllr Nick McDonald, Portfolio Holder for Business, Growth and Transport
Report author and contact details:	Mark Garlick, Public Transport Operations, mark.garlick@nottinghamcity.gov.uk , 0115 876 4675
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a) <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Total value of the decision: £2,000,000	
Wards affected: Aspley, Bestwood, Bilborough, Bulwell, Bulwell Forest, Leen Valley, Radford and Park, Wollaton East and Lenton Abbey, Wollaton West	
Date of consultation with Portfolio Holder(s): 1 March 2017	
Relevant Council Plan Key Theme:	
Strategic Regeneration and Development	<input type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input type="checkbox"/>
Jobs, Growth and Transport	<input checked="" type="checkbox"/>
Adults, Health and Community Sector	<input type="checkbox"/>
Children, Early Intervention and Early Years	<input type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>It is necessary to commence the procurement and to award a contract, for the operation of the L10, L11 and L14 bus services early, following receipt of a notice to terminate delivery of the services by the existing contractor.</p> <p>These services carry 370,000 passengers each year. This is made up of Cash Fares (22%), Multi-operator tickets (16%) and Concessionary passholders (62%)</p> <p>The main concerns</p> <p>Nottingham City Transport, the existing contractor, has served notice to terminate these services which were not due to terminate until this summer. A break in service prior to the re-tender would remove the links to job, shops and services within the City and lead to disruption for passengers which the Council wishes to avoid.</p> <p>Due to the short notice involved, it is proposed that an emergency contract is awarded until the formal tender can proceed. This involves a direct award to Nottingham Community Transport as an experienced, reliable, reputable operator.</p> <p>The award of the emergency contract was discussed at the Portfolio Holder meeting of 2 March</p>	

2017.

Areas that are served only by these services:

L10

Elvaston Road, Lambourne Drive, Torvill Drive, Grangewood Road (Wollaton West)

L11

Melbourne Road (Aspley), Bar Lane (Bassford), Dennis Avenue (Wollaton East and Lenton Abbey).

Local orbital links that are not otherwise available to Bulwell, Beeston, Arnold and Bilborough shopping areas (Bestwood, Bilborough, Bulwell, Bulwell Forest Wards).

L14

North Gate and Perry Road (Berridge); Heathfield Estate, Arnold Road and Park Lane (Bassford); Brooklyn Road (Bulwell Forest).

Exempt information: State 'None' or complete the following

An appendix to the report is exempt from publication under paragraph 5 of Schedule 12A to the Local Government Act 1972 because it contains confidential information which is subject to **legal professional privilege** and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because to disclose confidential legal advice could prejudice the ability of the decision maker to consider the decision and associated advice in its entirety.

Recommendation(s):

- 1 To commence the procurement process for the Locallink bus services and to delegate authority to the Corporate Director of Development and Growth to award and sign the contracts for the operation of bus services L10, L11 and L14 for up to 5 years (2+1+1+1). This will be subject to the contract costs being within the estimated spend identified within this report.**
- 2 In accordance with financial regulation 3.29 to dispense with the provisions of contract procedure rule 5.1.2, to award a contract to Nottingham Community Transport for an interim period whilst the procurement process is undertaken for a new supplier of the services and agree to the spend of up to £200,000 between 30 April and October 2017.**

1 REASONS FOR RECOMMENDATIONS

- 1.1 To continue the services, without disruption for passengers. To cover the period between 30 April 2017 and the formal tender (to October 2017), it is necessary to direct award the operating contract to Nottingham Community Transport on an emergency, De-minimis, contract basis. Nottingham City Transport Ltd gave notice on these contracts on 18 February 2017 and sufficient time was not available to complete a full tender process. Dispensation from financial regulations has been requested to cover this period between 30 April and October.

- 1.2 A new provider will be identified following the outcome of the tender process.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The Linkbus network comprises of 40 bus routes, established with external partners, to provide access to workplaces, health, education and district centres. It carries about 5 million passengers a year.
- 2.2 To enable all parts of the City to have given public transport accessibility to vital services, reflecting the fact that over half its residents have no access to a car.
- 2.3 They are disproportionately used by those with mobility issues and, as such, save the City Council and Health sector from more expensive forms of specialist transport, including Easilink (Dial-a-Ride).
- 2.4 They are fully integrated with all other bus and tram services, thus making those services commercially viable and free from Council subsidy.
- 2.5 They are being increasingly used by those accessing larger, more dispersed health and shopping facilities, as surgeries and food shops merge into larger, more remotely located facilities.
- 2.6 The Linkbus network forms part of an integrated network of services that school and college students can use with one ticket. There are no longer any specialist, expensive bus services dedicated to the sector, having been withdrawn as part of previous strategic choice savings.
- 2.7 All Linkbus service contracts are fully monitored throughout their contract for usage and performance.
- 2.8 The use of electric buses is a key factor in meeting the Council's cost saving targets, within the Public Transport Big Ticket, and to meeting its carbon reduction commitment.
- 2.9 The total cost of running the contract is expected to be £2,000,000 in total. This is based on running for 5 years.
- 2.10 The cost of providing the services, on an emergency contract basis for the temporary 6 months between 30 April and October 2017 is expected to be £200,000. The value of this temporary contract is effectively covered by Delegated Decision 2131 (dated 14 August 2015) which authorised the procurement of these services for 2 years from 25 October 2015 to 2017 but this decision seeks approval for the interim delivery of these services by Nottingham Community Transport whilst a new procurement is undertaken

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Withdrawing services due to rising cost was rejected as it would lead to disruption for passengers and the removal of access to public transport from some areas of the City, where commercial services would be more than 400m away from residents and workplaces. This had already been considered and discounted within Executive Board decisions of 20 March 2012 and 21 May 2013, associated with the approval to purchase electric buses. It was also considered and rejected in favour of other savings options now approved and being implemented within the Public Transport Big Ticket.

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 The actual cost of the contract for the operation of the 3 bus services identified in this report over the next 5 years will not be known until the procurement exercise is completed. It is anticipated that the new contract value will be contained within existing Public Transport budgets. Should the contract exceed the current £2m, the cost will need to be contained within the service.

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 Legal advice is provided in an exempt appendix. The procurement advice echoes the comments made in the exempt legal appendix;

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

- 6.1 None.

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 Withdrawing the services due to rising costs was rejected as it would lead to disruption for passengers and the removal of access to public transport from some areas of the City, where commercial services would be more than 400m away from residents.

8 REGARD TO THE NHS CONSTITUTION

- 8.1 Not applicable.

9 EQUALITY IMPACT ASSESSMENT (EIA)

- 9.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because: The report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council.
(Please explain why an EIA is not necessary)

10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

- 10.1 Not applicable

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

- 11.1 Not applicable

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

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