



Officer Decision Record – Key Decision

Key decisions taken by an officer are subject to the 5 day call in period from circulation to Members, and therefore the decision will be released for implementation following the call-in period and no call in being received

1. Cabinet date and copy resolution this key decision relates to

Cabinet meeting Date: 3 November 2021.

Report Title: Review of Subsidised Bus Services

Cabinet approved the following recommendation:

1. Supports the commencement of a procurement exercise for option 1.
2. Delegates authority to the Executive Director for Environment, Economy and Resources, in consultation with the Portfolio Holder for Environment and Transport to commence a procurement exercise (to deliver the bus services identified in option 1) and to make appropriate contract awards to the most economically advantageous tender.
3. Delegates authority to the Executive Director for Environment, Economy and Resources, in consultation with the Portfolio Holder for Environment and Transport to carry out all ancillary activity in terms of post award implementation and mobilisation of such arrangements.
4. Authorises the Assistant Director Law, Governance and Assets (Monitoring Officer) to execute all documents in connection with the above.

Decision Notice: <https://democracy.nelincs.gov.uk/wp-content/uploads/2020/06/Decision-Notice-3rd-November-2021.pdf>

Meeting Minutes: <https://democracy.nelincs.gov.uk/wp-content/uploads/2020/06/Cabinet-Minutes-3rd-November-2021-1.pdf>

2. Subject and details of the matter (to include reasons for the decision)

Background Information

North East Lincolnshire Council (NELC) currently subsidises the 1, 2 and 20 Europarc bus service and the 5M bus service.

The 1, 2 & 20 Europarc bus service 5M bus service contracts are both due to expire 30 June 2022.

The current 1, 2 and 20 Europarc bus service runs Monday to Saturday from 5:10am to 10:45pm. The 1 and 2 route includes Victor Street, Grimsby Town Centre, Lord Street, Victoria Street South / Corporation Road, Gilbey Road, Europarc and Wybers Wood and the 20 service provides early morning and late evening connections from Cleethorpes via Corporation Road through to Europarc.

The 5M bus service runs Monday to Saturday (early morning and late afternoon trips only) and is an extension of the existing 5 bus service. The 5M service runs from Immingham County Hotel, CATCH Training Centre/ Kiln Lane, Laporte Road and Queens Road.

Subsidised bus services in North East Lincolnshire play a key role in achieving strong and sustainable economic growth by connecting people and businesses to areas of economic opportunity, increase economic productivity and support economic regeneration. For example, high quality bus services can maximise the economic success of North East Lincolnshire Council Regeneration Schemes such as the Future High Street Fund project. Subsidised bus services also reduce social exclusion and connect local residents with health centres.

It is recommended the cost of bus service subsidy costs are not considered in isolation and the wider benefits of the subsidised bus services are taken into account. For example, the Department for Transport has previously published evidence which demonstrated for every £1 local authorities spend on subsidised bus services, the benefits are valued up to £2. Subsidised bus services also provide accessibility throughout the borough and in the case of the Phone n Ride service this service delivers accessibility to all destinations in North East Lincolnshire.

3. Decision being taken

On 3 November 2021, Cabinet approved the delegation of the tender award to the Executive Director for Environment, Economy and Resources, in consultation with the Portfolio Holder for Environment and Transport to commence a procurement exercise and to make appropriate contract awards to the most economically advantageous tender.

The tender has been completed and this Officer Decision Record seeks approval to make a tender award.

4. Is it an Urgent Decision? If yes, specify the reasons for urgency. Urgent decisions will require sign off by the relevant scrutiny chair(s) as not subject to call in.

N/A

5. Anticipated outcome(s)/benefits

Award 3 year contracts for:

- * Option 1 – Existing 1, 2 & 20 Europarc bus service – Monday to Saturday.
- * Option 7 – 5M Bus Service.

The prices submitted for 3 year contracts are economically advantageous when compared to 1 year contracts. It is recommended the local authority awards 3 year contracts for Options 1 and 7.

It should be noted by awarding options 1 & 7, this would create a budget pressure of £65,448 on the subsidised bus services cost code.

To meet the additional costs the following opportunities are available:

*The council will receive a further contribution from the Local Transport Fund (LTF) of £50,000 for the 2022/23 financial year. A contribution from the LTF can be used to offset some of the overspend in year 2022/23.

* The BSIP has an allocation of revenue for securing existing network base/expand support of £261,000 – 2022/23, £248,000 – 2023/24 & £210,000 – 2024/24 – It maybe possible for the BSIP to make a contribution to offset the overspend in 2023/24 & 2024/25, though this would need to be agreed in consultation with Stagecoach.

* The concessionary fares budget to be used to top up any shortfall of the overspend which is not met taking into consideration the contributions from the LTF in 2022/23 and the BSIP in 2023/24 & 2024/25.

If the tender is awarded on this basis it should be noted on 10 May 2022, Stagecoach East Midlands wrote to North East Lincolnshire Council regarding “Notification of Change of Control.” On 1 August 2022 the Council signed the Stagecoach Change of Control letter.

6. Details of any alternative options considered and rejected by the officer when making the decision (this should be similar to original cabinet decision)

The following alternative options are available:

Option 1 – Existing 1, 2 & 20 Europarc bus service – Monday to Saturday.

This option is over budget by £52,953.

Option 2 – Reduced Hourly 2 and 20 Bus Service - Monday to Saturday.

This option is over budget by £27,884 and would provide a reduced hourly service (Monday to Saturday). This option would not provide a bus service to Lord Street.

Option 3 – Reduced Hourly 2 and 20 Bus Service - Monday to Friday.

This option is over budget by £1,160 and would provide a reduced hourly service (Monday to Friday). This option would not provide a bus service to Lord Street.

Option 4 – 20 Bus Service – Monday to Saturday.

This option would only provide trips at key commuter times Monday to Saturday. This option is under budget by £119,302.

Option 5 – 20 Bus Service – Monday to Friday.

This option would only provide trips at key commuter times Monday to Friday. This option is under budget by £126,085.

Option 6 - Suppliers alternative timetable which provides a bus service to Europarc.

This option is over budget by £20,234. This option is linked to the existing commercial 8 service and 6 service. The 8 service would be extended from Grimsby Town Centre to Europarc (would provide a through service from North Sea Lane) and the 6 service would be extended from Grimsby Town Centre to Victor Street, Gilbey Road etc (through service from Wybers Wood). This option provides an interesting solution but there are risks associated with the option such as the service getting stuck in congestion on the A180 which may create issues for the commercial element of the 8 Service.

Option 7 – 5M Bus Service.

If awarding this option, this will further exacerbate any overspend. It should be noted by awarding options 1 & 7, this would create a budget pressure of £65,448 on the subsidised bus services cost code. Section 5 of this ODR identifies the options to mitigate the overspend.

7. Background documents considered (web links to be included and copies of documents provided for publishing)

3 November 2021 Cabinet Report –

<https://democracy.nelincs.gov.uk/wp-content/uploads/2020/06/5.-Review-of-subsidised-Bus-Services.pdf>

8. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons

N/A

9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)

N/A

10. Monitoring Officer Comments (Monitoring Officer or nominee)

The decision to award is consistent with the Cabinet decision and delegations recommended on the 3rd November 2021. Legal colleagues will support appropriate legal documentation, as appropriate. Urgency as to the decision, as explained in section 4 above, is accepted.

11. Section 151 Officer Comments (Deputy S151 Officer or nominee)

The financial implications are as outlined in sections 5 and 6.

The additional budget pressure that would result from implementing the preferred options are to be met from within available resources within the service, including utilisation of available external grant funding.

12. Human Resource Comments (Head of People and Culture or nominee)

There are no HR implications.

13. Risk Assessment (in accordance with the Report Writing Guide)

In summary, the key risks are:

- Returned tender prices not being affordable within the budget envelope.
- Tender exercise may not return a new operator.
- An initial equality impact assessment identifies options 2, 3 ,4 and 5) may be detrimental to the public.
- Failure to consider Equality duties could result in Legal action against the Council.
- Under the Transport Act 1985, North East Lincolnshire Council has a duty to secure the provision of subsidised services it considers to be socially necessary.

14. Has the Cabinet Tracker been updated with details of this decision?

15. Decision Maker(s):

Name: Mark Nearney

Title: Assistant Director for Housing,
Highways, Transportation & Planning

Signed: REDACTED

Dated: 25/08/2022

16. Consultation carried out with Portfolio Holder(s):

Name: Cllr S Swinburn

Title: Portfolio Holder for Environment and
Transport

Signed: REDACTED

Dated: 25th August 2022