

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF ECONOMIC GROWTH AND  
NEIGHBOURHOOD SERVICES

<b>TO:</b>	<b>STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT COMMITTEE</b>		
<b>DATE:</b>	<b>16 MARCH 2020</b>	<b>AGENDA ITEM:</b>	<b>17</b>
<b>TITLE:</b>	<b>BUZZ 42 BUS SERVICE CONTRACT PROCUREMENT</b>		
<b>LEAD COUNCILLOR:</b>	<b>TONY PAGE</b>	<b>PORTFOLIO:</b>	<b>STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT</b>
<b>SERVICE:</b>	<b>PLANNING, TRANSPORT AND REGULATORY SERVICES</b>	<b>WARDS:</b>	<b>BOROUGHWIDE</b>
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**1. PURPOSE AND SUMMARY OF REPORT**

- 1.1 This report sets out the proposed procurement of a new contract for operation of the Buzz 42 bus service, which operates between Kenavon Drive, Reading town centre and Rivermead Leisure Centre. The service is fully funded by Section 106 private sector planning contributions from developments on Kenavon Drive, alongside ticketing revenue collected from passengers. The existing contract ends in November 2020.

**2. RECOMMENDED ACTION**

- 2.1 That delegated authority is given to the Executive Director of Economic Growth and Neighbourhood Services, in consultation with the Lead Councillor for Strategic Environment, Planning and Transport, the Assistant Director for Legal & Democratic Services and the Assistant Director of Finance, to award the new Buzz 42 Contract to the successful service provider upon completion of the procurement process.

**3. POLICY CONTEXT**

- 3.1 The Council's current Local Transport Plan for the period 2011-26 was adopted by Full Council in March 2011, setting the policy for promoting safe and

sustainable travel within, to and from the Borough. However, the majority of schemes within the current strategy have either been delivered or are in the process of being delivered, therefore a new draft strategy has been developed to put the Council in the best possible position to secure external investment in Reading.

- 3.2 The provision of public transport services is set out in the emerging Reading Transport Strategy 2036, for which a high-level consultation was undertaken in summer 2019. Feedback from the consultation illustrates support for public transport, including enhanced infrastructure and more comprehensive services, to enable people to access key facilities and services more easily and reduce congestion on the transport network.
- 3.3 The provision of high-quality public transport services, such as Buzz 42, is a fundamental element of achieving wider Council policy objectives, including those relating to improving air quality, tackling the climate emergency, equality for all, health and wellbeing, productivity and congestion, and enabling sustainable and inclusive economic growth and housing delivery. The service provides a tool by which short journeys by public transport in central Reading can be encouraged and support the delivery of further housing development in the Kenavon Drive area and the potential repurposing of Reading Gaol. The service also supports wider public transport journeys through connecting services and enabling people to access education, employment and leisure facilities more easily as an alternative to private car use.

## **4. THE PROPOSAL**

### **Current Position**

- 4.1 The development of redundant industrial areas for housing at 42 Kenavon Drive, and subsequently at further Kenavon Drive locations, led to the establishment in October 2017 of a local bus service branded as Buzz 42 through the receipt of Section 106 contributions from developers. This service was incorporated in the Greenwave bus contract operated by Reading Buses.
- 4.2 The current Greenwave contract ends in November 2020. The Buzz 42 service is not currently commercially viable without S106 contributions, therefore it is proposed that a procurement exercise is undertaken for the ongoing delivery of Buzz 42 services from the existing contract expiring in November 2020.
- 4.3 The current service runs from around 7am to 7pm Monday to Saturday with a 20-minute frequency peak shuttle from Kenavon Drive to Reading town centre, and an off-peak and Saturday 40 min frequency service which continues to Rivermead Leisure Centre to support the relocation of The Maples Wellbeing Centre and access to leisure facilities. Current passenger journeys are approximately 46,000 per year producing £35,000 of revenue. The balance of the approximately £131,250 per year is sufficiently covered by S106 contributions which are specifically fettered for this purpose until November 2025.

## Procurement of a New Contract

- 4.4 It is proposed that a separate contract is procured for operation of the Buzz 42 service from November 2020 for a 3 year period, with option to extend the contract by a further 2 years to 5 years in total.
- 4.5 Current and future expected S106 contributions have been calculated to cover the net cost of operations until at least November 2025 allowing the potential of the above 3 + 2 year contract.
- 4.6 The development of Rivermead Leisure Centre facilities over the next two years will need to be supported by a reliable public transport service for it to be a sustainable facility. Buzz 42 can be developed in that role as it is currently unlikely that a commercial bus service will be available to serve Rivermead. As part of the proposed contract, options have been included for prices for various extended operations to cover evenings, Sundays and Bank Holidays so that a suitable service can be provided when needed.
- 4.7 Buzz 42 provides a convenient connection for town centre residents who have children attending EP Collier School and would be available to support the planned secondary school adjacent to Rivermead, in a limited capacity way, using the existing 20-seater capacity bus. A further option in the proposed contract would enable an additional potentially larger vehicle to operate the service if demand warranted it.
- 4.8 It is anticipated that planned and proposed developments in the Kenavon Drive and Richfield Avenue/Tessa Road area will provide the opportunity to improve bus services to Richfield Avenue and Rivermead including extensions via Cow Lane to and from west Reading. The proposed contract can be used as a catalyst to add public transport options to this underserved area. The additional funding forthcoming would enable a second bus to be added to the contract enabling a full peak service to be offered. This would provide an alternative to the need for commuters to drive to and from this area, helping to reduce congestion on this cross town route.
- 4.9 The anticipated timeframe for procuring a new contract is set out below:
- Prepare procurement documentation, including specification and contract - March 2020
  - Issue Invitation to Tender (ITT) - April 2020
  - Tender response deadline - June 2020
  - Tender evaluation - June 2020
  - Award contract - July 2020
  - Standstill period - July 2020
  - Traffic Commissioner notified of service changes - early August 2020
  - New contract commences - 5<sup>th</sup> November 2020

4.10 The Committee is therefore asked to agree the proposed procurement approach and programme for securing a new contract to deliver the Buzz 42 service.

## **5. CONTRIBUTION TO STRATEGIC AIMS**

5.1 The delivery of the Buzz 42 service would help to deliver the following Corporate Plan Service Priorities:

- Securing the economic success of Reading.
- Keeping Reading's environment clean, green and safe.

## **6. COMMUNITY ENGAGEMENT AND INFORMATION**

6.1 Timetable and real-time information regarding the service will be provided in paper format, in bus shelters, online and on mobile devices.

## **7. LEGAL IMPLICATIONS**

7.1 The existing contract for Greenwave services (including Buzz 42), awarded to Reading Buses, is due to expire on 4<sup>th</sup> November 2020.

7.2 The Buzz 42 contract target value is £132,000 per year, adjusted to include inflation, and has a lifetime value of £660,000 based on a 5-year estimated lifecycle.

7.3 The contract will be procured in accordance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.

7.4 Contract procurement to be completed by 14th August 2020 to give required time for new operator to register the bus service.

7.5 It will be necessary to enter into a contract with the successful service provider.

## **8. EQUALITY IMPACT ASSESSMENT**

8.1 In addition to the Human Rights Act 1998 the Council is required to comply with the Equalities Act 2010. Section 149 of the Equalities Act 2010 requires the Council to have due regard to the need to: -

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8.2 There are no proposed changes to the operation of the Buzz 42 service and an Equality Impact Assessment has therefore not been undertaken.

8.3 Older and disabled person pass holders will be able to continue using their concessionary fares pass on Buzz 42 services, in accordance with the national scheme, enabling them to access key facilities and services, such as those in the town centre and The Maples Wellbeing Centre.

## **9. ENVIRONMENTAL & CLIMATE CHANGE IMPLICATIONS**

9.1 Our emerging transport strategy, which is being developed in parallel to the emerging Climate Change Strategy, is focused on five themes all of which encourage the use of sustainable and clean modes of transport as attractive alternatives to petrol or diesel-powered vehicles. This builds on the considerable success of increasing the number of walking, cycling and public transport trips into Reading town centre to 80% as part of the delivery of successor Local Transport Plans.

9.2 Transport is the biggest greenhouse gas emitting sector in the UK accounting for around 27% of total emissions. Significant investment in sustainable transport solutions is therefore vital in order to respond to the Climate Crisis declared by the Council in February 2019 and to help achieve our target of a carbon neutral Reading by 2030.

9.3 The redevelopment of the current leisure centre and the opening of a new secondary school at Richfield Avenue will occur within the contract period. It is essential that a reliable and efficient bus service is provided from the outset to encourage sustainable travel. Further on going discussions with bus operators will be required in advance of the opening of the new facilities to see what additional services could be provided.

## **10. FINANCIAL IMPLICATIONS**

10.1 Section 106 contributions have been received and future contributions identified to cover the expected operating loss on the Buzz 42 service for the duration of a 3 + 2-year contract from November 2020, along with ticketing revenue collected by the operator. The S106 contributions are specifically intended to support this bus service and are not transferable to other transport activities. The operation of Buzz 42 will not incur any cost to Reading Borough Council during the proposed contract period.

10.2 Section 106 contributions for bus service support has been secured from the following developments:

- 42 Kenavon Drive: £306,400
- Former Homebase/Toys r Us site: £191,400

10.3 It is not proposed to alter the Buzz 42 timetable, scope or service specification at this time. It is therefore proposed the procurement of the contract will be evaluated against a target price based on the known cost for operation of the existing Buzz 42 service.

10.4 Future variations and possible development of the service will be provided for by requesting prices for known possible service additions, as part of the contract procurement process.

**11. BACKGROUND PAPERS**

11.1 Greenwave & Buzz 42 Contract Extension and Fares Revision, Decision Book, 8<sup>th</sup> February 2019