

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR FOR ECONOMIC GROWTH & NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	15 FEBRUARY 2021		
TITLE:	COMMUNITY TRANSPORT - CONTRACT EXTENSION		
LEAD COUNCILLOR:	COUNCILLOR PAGE	PORTFOLIO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT
SERVICE:	PLANNING, TRANSPORT AND REGULATORY SERVICES	WARDS:	BOROUGHWIDE
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1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek authority for the proposed extension of the existing Community Transport contract with Readibus Limited. The extension would be from April 2021 for a further 2 years, which is in accordance with the provisions contained within the current contract. This contract encompasses both the provision of dial-a-ride services and transport provision for the Council's Adult Social Care service.
- 1.2 In addition, the report proposes a review of future requirements for community transport provision and sets out a timetable for procuring a new contract for this service. The new contract would commence following the end of the extension period to the existing contract in April 2023.
- 1.3 Appendix A - Community Transport Review, WSP Ltd, October 2020.

2. RECOMMENDATION

- 2.1 That Policy Committee grants approval to extend the agreement for the provision of Community Transport Services (Dial-a-Ride) with Readibus for a further period of 2 years until 31 March 2023, in accordance with the terms of the contract.
- 2.2 That Policy Committee endorses the proposed timetable for undertaking a review of future community transport requirements and authorises the re-

3. BACKGROUND

- 3.1 On 30th November 2015, Policy Committee agreed a series of savings proposals that would help bridge the budget gap as part of the Council's Medium Term Financial Strategy (MTFS). This included a proposal to create a fresh approach to grant giving, ensuring that, where appropriate, a procurement process is put in place for services to achieve a balance of grants and contracts.
- 3.2 On 13th June 2016, Policy Committee approved for a procurement exercise to be undertaken to identify a single service provider to operate the Community Transport Contract. This would incorporate the previously grant funded dial-a-ride services, and to take over provision of the in-house Adult Social Care transport service. The purpose of incorporating the two service areas was to provide a single service delivery model that would benefit residents, avoid duplication and deliver the financial savings identified within the MTFS.
- 3.3 Adult Social Care transport is not classed as a Local Authority statutory service specifically, however there is a statutory requirement for residents' care which falls under the remit of the Adult Social Care service. It is for this service to determine those residents who are most in need and the most appropriate care packages for each individual, which may include transport provision as part of the overall care package.
- 3.4 The Council followed a comprehensive procurement process, in accordance with Public Contract Regulations 2015, to source a single operator for the provision of all of its Community Transport based services, including all necessary safeguarding requirements. Following ratification at Policy Committee on 25th September 2017, Readibus was awarded the contract for Community Transport Services. The contract was awarded for an initial period of 30 months expiring on 31st March 2020, with a further 36-month extension period available subject to performance and funding.
- 3.5 The contract provided a single operator for the following community transport services:
- Dial-a-Ride services for people of all ages who can't make use of the mainstream bus services offered in the area.
 - Adult Social Care transport for people with learning disabilities, people with mental health problems, people with physical disabilities and older persons across Reading.
- 3.6 The sums contracted under this arrangement were as follows:
- Oct 17 - Mar 18 - £300,000
 - Apr 18 - Mar 19 - £600,000
 - Apr 19 - Mar 20 - £525,000
 - Apr 20 - Mar 22 - £450,000 (extension period)

3.7 The contract was extended for an initial 12 months in April 2020, at the reduced cost of £450,000 as provided for within the contract.

4. THE PROPOSAL

4.1 Readibus has been operating community transport services in Reading for 39 years and continues to play a vital role in the town's public transport offer. Their services enable people of all ages who cannot make use of the mainstream bus services, due to learning disabilities, mental health problems, physical disabilities or mobility restrictions, to remain independent for longer.

4.2 In 2018/19, Readibus provided 146,000 community transport journeys for 3,000 users. Approximately 100,000 journeys are made by Reading Borough residents, including 77,000 on the dial-a-ride services. These were delivered using a fleet of over 20 minibuses which operated around 300,000 miles.

4.3 Alongside the dial-a-ride and Adult Social Care services provided through this contract, Readibus also provides transport for the Council's Education service as well as Older Person and Disabled 'Access' pass holders as part of the Council's Concessionary Travel Scheme.

4.4 Readibus has successfully worked with the Adult Social Care service to ensure the level of service required has been provided throughout the duration of the contract to date, from its commencement in October 2017. Overall, the level of service provided has been of a high standard and has ensured that clients' needs are met in accordance with the requirements of the contract.

4.5 The Council has recently commissioned an independent benchmarking exercise, undertaken by external consultants, to investigate the value for money provided by the current contract (annex A). As part of this work three other comparable community transport operations (in Kent, Windsor & Maidenhead and Woking) were compared as far as published account information was available.

4.6 Based on the latest financial information available, Readibus received £976,617 for contract(s) and £138,673 from nine local government grants in 2018/19. This demonstrates that each community transport journey was subsidised by an average of £7.64 per journey. When considering Reading residents' journeys only and the Reading contract figure of £600,000 for dial-a-ride services, the subsidy increases to £7.80 per passenger journey. This represents an average subsidy for RBC dial-a-ride operation (DaR only) of £2.61 per inhabitant of Reading Borough in 2018/19. Comparative figures for the other operators considered in the benchmarking study (where available) are set out below:

Table 1: Estimated subsidy per passenger journeys and inhabitants

Area / Provider	Subsidy per Passenger Journey	Subsidy per Inhabitant
Kent Karrier	£13.77 (all journeys)	*Not available (all journeys)

Maidenhead & Windsor	£12.87 (all journeys)	£2.74 (all journeys 18/19)
Readibus	£7.64 (All journeys)	*Not available (all journeys)
	£7.80 (RBC DaR only 18/19)	£2.61 (RBC DaR only 18/19)
Woking Bustler	£6.92 (DaR only 19/20)	£2.82 (DaR only 19/20)

*It is not possible to produce an accurate cost per head of population figure due to the multi-district nature of the community transport operation, which does not align with local authority area boundaries.

- 4.7 Based on the information provided in Table 1, Readibus' community transport services appear to provide good value for money, demonstrating that the level of subsidy is in the lower range of the £7 to £14 per passenger journey costs observed elsewhere. Whilst the Readibus dial-a-ride only subsidy per passenger journey was higher than in Woking in 2018/19, this will reduce considerably with the revised contract value of £450k in 2021/22, compared with the contract cost of £600k in 2018/19.
- 4.8 In addition, when considered as a figure per inhabitant, the Readibus dial-a-ride contract shows a subsidy of £2.61 for 2018/19 per head of population in Reading borough, which will decrease to £1.96 in 2020/21. By comparison, this would be 30% less than that observed in the award winning Bustler operation in Woking.
- 4.9 Alongside this financial benchmarking, the overall performance statistics for Readibus' community transport operation in 2019/20 appear to demonstrate continuous improvement in operations, including:
- 98% journey requests met;
 - 98% of requests met within 30 minutes of requested time;
 - 90% of journeys are repeat journeys;
 - 10% are one-off ad-hoc journeys; and
 - Customer complaints were 0.4 per 1,000 miles operated.
- 4.10 The current Covid-19 pandemic has led to a short-term reduction in demand for community transport services, alongside all public transport operations. It has also resulted in significant operational and financial challenges due to its carriage of vulnerable clients. Across all of its services, Readibus has been required to reduce capacity to approximately two thirds as a result of social distancing requirements, and introduce enhanced cleaning and PPE for its staff and vehicles. The enhanced cleaning and PPE requirements have not been funded externally, therefore this continues to cost considerable additional expense. Statistics for the current year available so far are set out below:

Table 2: Readibus Passenger Figures 2020/21

	Apr-Jun Q1	Jul-Sep Q2
RBC Passengers registered	1,034	1,068
RBC Passengers carried	1,884	4,133

- 4.11 In addition, Readibus has been asked to help with the emergency response by using its resources to meet identified needs working with the NHS and other local organisations to provide specific services. These include hospital to recuperation transport and redirected cancer treatment patients to other hospitals. The service has sought to keep in touch with its vulnerable clients to ensure they are fully supported throughout the pandemic. The needs of the Adult Social Care service have been met as required and the carriage of vulnerable children to the Avenue Centre and other special schools has also continued.
- 4.12 In conclusion, as a result of the high level of performance in fulfilling the contract requirements to date and the good value for money demonstrated when benchmarked against similar operations, it is recommended that the existing contract is extended for an additional 2 years until March 2023. The current contract includes provision for this extension and the parties have agreed that the service will be delivered at the reduced rate of £450,000 per annum during the extension period. The delivery of the contract will continue to be monitored on a monthly basis to ensure performance is scrutinised and both service delivery and operational costs will be closely reviewed in accordance with the contract requirements.

Next Steps

- 4.13 In parallel with the contract extension, it is proposed that a review is undertaken to establish the strategic fit of community transport services and requirements from April 2023 onwards. This will include a review of service requirements across the Council and an investigation of the different delivery models available to deliver the required outcomes.
- 4.14 Subject to the conclusions reached from this review, the proposed timetable to undertake a new procurement for the operation of community transport services beyond this contract extension period is set out below:
- Undertake strategic review and agree procurement strategy - July 2021
 - Committee approval to undertake new procurement - September 2021
 - Prepare procurement documentation (ITT and contract) - March 2022
 - Issue contract notice - May 2022
 - Deadline for receipt of tenders - August 2022
 - Assessment of submitted tenders - October 2022
 - Contract award - December 2022
 - Mobilisation and contract commencement - April 2023

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 The continued provision of community transport services will help to deliver the following service priorities in the Council's Corporate Plan:
- Securing the economic success of Reading and provision of job opportunities.

- To protect and enhance the lives of vulnerable adults and children.
- Keeping Reading's environment clean, green and safe.
- Ensuring that there are good education, leisure and cultural opportunities for people in Reading.
- Ensuring the Council is fit for the future.

6. ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS

6.1 Transport is the biggest greenhouse gas emitting sector in the UK accounting for around 27% of total carbon emissions. As set out in the draft Climate Emergency Strategy this figure is lower in Reading with transport accounting for around 20% of carbon emissions, however significant investment in sustainable transport solutions is vital in order to respond to the Climate Emergency declared by the Council in February 2019 and to help achieve our target of a carbon neutral Reading by 2030. Reading Climate Change Partnership's Reading Climate Emergency Strategy 2020-25 and the new RBC corporate Carbon Plan 2020-25 were both adopted in November 2020.

6.2 The provision of community transport services as set out within this report plays an important part in responding to this challenge, through helping to achieve our objective to encourage a step change in sustainable transport services and a shift towards sustainable and clean modes of transport as attractive alternatives to private 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 our current Local Transport Plan.

7. COMMUNITY ENGAGEMENT AND INFORMATION

7.1 Information regarding the services provided by Readibus are available on their public website.

8. EQUALITIES IMPACT ASSESSMENT

8.1 An Equalities Impact Assessment has not been undertaken as there is no change to Readibus nor any impact on the existing service users as a result of the decision to extend this contract. The service offered by Readibus under this contract extension will continue to enable people who are unable to use mainstream bus services, such as those with learning disabilities, mental health problems, physical disabilities and older persons, to use public transport with assistance.

9. LEGAL IMPLICATIONS

9.1 The Readibus Contract was procured pursuant to an OJEU open process.

9.2 Under the current Readibus Contract, the Council may extend the contract period by a further period of up to 3 years from April 2020, subject to variation or adjustments to the contract price.

9.3 A supplemental agreement formally documenting the extension will need to be entered into with Readibus.

10. FINANCIAL IMPLICATIONS

10.1 The extension of the community transport contract is provided for within the contract to be at the existing annual rate of £450,000, which is assigned within existing transport budgets.

11. BACKGROUND PAPERS

11.1 Contract Award - Community Transport, Policy Committee, 25th September 2017

11.2 Readibus - Additional Funding, Policy Committee, 13th June 2016