

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT & NEIGHBOURHOOD SERVICES

LEAD COUNCILLOR:	TONY PAGE		
DATE:	8 February 2019		
TITLE:	GREENWAVE CONTRACT EXTENSION & FARES REVISION		
SERVICE:	TRANSPORTATION & STREETCARE	WARDS:	BOROUGHWIDE
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1. PURPOSE AND SUMMARY OF REPORT

- 1.1 This report sets out the decision to extend the contract for greenwave bus operation and to revise fares for the greenwave bus service in line with similar local bus services.

2. DECISION

- 2.1 It is the decision of the Director of Environment and Neighbourhood Services, in consultation with the Lead Councillor for Strategic Environment, Planning and Transport that the contract for operation of greenwave bus services is extended to 4 November 2020.
- 2.2 It is the decision of the Director of Environment and Neighbourhood Services, in consultation with the Lead Councillor for Strategic Environment, Planning and Transport that the contract be modified in accordance with Public Contract Regulation 72(1)(c), to include the Route 42 service.
- 2.3 It is the decision of the Director of Environment and Neighbourhood Services, in consultation with the Lead Councillor for Strategic Environment, Planning and Transport that greenwave bus fares noted in this report will be revised from 8 April 2019.

3. POLICY CONTEXT

- 3.1 Fasttrack bus services, such as greenwave, are an identified and agreed policy of the current and successive Local Transport Plans in the context of introducing ways to make public transport more attractive. In conjunction with the town centre parking strategy, fasttrack bus services are a key way of

managing demand for parking and encouraging people to consider alternatives to the private car.

4. THE PROPOSAL

Current Position

- 4.1 The existing greenwave services operated by Reading Transport Ltd under contract from Reading Borough Council are intended to reduce congestion and enable economic development of the A33 corridor by stimulating business, residential and leisure development. The principal sites served being Green Park, Madejski Stadium, Kennet Island, Reading International Business Park and Mere oak Park & Ride.
- 4.2 The greenwave bus service currently carries over 1 million passengers per year and patronage is growing at a rate of 13% a year.
- 4.3 The greenwave bus service is funded through fares revenue and subsidies from business parks and private companies who rely on the high frequency commuter services that are provided by greenwave, including supporting parking provision at Mere oak Park and Ride.
- 4.4 The current contract with Reading Transport Ltd for the provision of greenwave bus services was let in 2012 as a 5 + 3 year contract. The initial 5 year period expired on 4 November 2017, and was extended on a rolling basis pending a service review of all bus services contracted by the Council in the face of significant budget pressures, which resulted in the contracts being ended for a number of services. The review concluded that the Greenwave service should continue to be operated under contract, subject to savings being achieved to ensure the Council was not required to subsidise the route. These savings have now been achieved, therefore this report sets out the formal proposal to take up the 3 year extension of this existing contract (from 5 November 2017) ending 4 November 2020, in line with the conditions of the original contract.

Options Proposed - Contract Extension and Route 42

- 4.5 With the ongoing growth and fares revision noted above it is expected that greenwave will become a profitable contract for the Council from the 2018/19 Council year, subject to the continued support from business parks and private companies amounting to approximately 26% of the income received for the greenwave services.
- 4.6 In order to maximise the potential for both revenue generation and continue the ongoing development of greenwave into an effective rapid transit service, it is proposed to extend the contract by three years from the current 5 years to its maximum of 8 years.
- 4.7 In order to give certainty for the operation of the developer funded route 42 minibus from Kenavon Drive to Rivermead it is proposed to incorporate this

service in the greenwave bus contract. The modification of a contract in this way is permitted under the Public Contract Regulation 72 (1) (c) 2015 subject to 3 conditions being satisfied as detailed paragraph 7.2 . The three conditions are all satisfied and this variation has been approved by Legal Services. Route 42 is a limited variation of the greenwave contract serving Rivermead and Kenavon Drive with one bus, Mon - Sat. Greenwave already serves Rivermead on Sundays.

Options Proposed - Fares Revision

4.8 Whilst patronage and revenue on greenwave buses are both growing, the service continues to rely on external subsidies. In order to continue to develop enhanced levels of service the proportion of cost recovered from fares needs to be increased. As a consequence, a modest fares revision is proposed which also provides an opportunity for some simplification of fares and a fare reduction.

4.9 The proposed changes to general greenwave fares are listed below:

‘Boost single’ increased from £1.30 to £1.50 to come into line with the Reading Buses Boost fare.

‘Boost’ return’ increased from £2 to £2.20

‘Group off peak return (up to 5 people)’ ticket increased from £4.50 to £5

‘Greensaver paper 12 trip’ ticket increased from £20 to £21

4.10 The proposed changes to greenwave Mere oak P&R fares are listed below:

‘Adult single (from Mere oak only)’ increased from £2 to £2.50

‘Group off-peak return; Mon-Fri’ increased from £5.50* to £6*. Note * including £1 per car per day parking.

New ticket; Evening and weekend group P&R return £5 with FREE PARKING (to be available after 6pm Mon-Fri and all day Sat/Sun and Bank Holidays). This will save 50p on the current price and simplify ticket issuing for football P&R services. (Change continues to be given on greenwave services.)

Other greenwave and P&R cash fares remain the same as currently to avoid unnecessary increases which cause difficulties when change is being given; Greenwave adult single £2, adult return £3.50, Mere oak P&R adult return £4.50*.

4.11 The proposed changes to Smartcard multi-trip tickets are:

Greensaver 10 increase from £14.30 to £14.95

Greensaver 20 increase from £28.30 to £29.80

Greensaver 40 increase from £55.50 to £58 (equivalent to a day return cost of £2.90).

Greenwave monthly (30 day) increase from £53.50 to £55.50

Greenwave quarterly (90 day) increase from £150.40 to £152

MereOak Parksaver 10 increase from £19.30* to £19.95*
MereOak Parksaver 20 increase from £38.30* to £39.80*
MereOak Parksaver 40 increase from £75.50* to £78* (equivalent to a day return and parking cost of £3.90*).

Note * including £1 per car per day parking.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 The operation of greenwave bus services outlined in this report help to deliver the following Corporate Plan Service Priorities:

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

6. COMMUNITY ENGAGEMENT AND INFORMATION

6.1 The public will continue to be informed of timetable and service developments, including revised fares, via on bus information and printed and electronic media as well as marketing and communications issued by business parks.

7. EQUALITY IMPACT ASSESSMENT

7.1 Under the Equality Act 2010, Section 149, a public authority must consider whether the decision will or could have a differential impact on: racial groups; gender; people with disabilities; people of a particular sexual orientation; people due to their age; people due to their religious belief.

7.2 It is not considered necessary to undertake an Equalities Impact Assessment for the Contract extension of greenwave or the revision of fares as the changes do not negatively impact on any one group with protected characteristics.

7.3 It should be noted that concessionary fares pass holders will be able to continue using their passes on greenwave services, as per local scheme details, and will continue to be required to pay for any parking charges, such as those at MereOak Park and Ride.

8. LEGAL IMPLICATIONS

8.1 The proposed change to the greenwave contract falls within the options for contract extension contained in the existing contract SR04 South Reading Fasttrack Bus services.

8.2 In accordance with the Public Contract Regulations 2015 ("PCR2015"), it is proposed that Route 42 be included as a modification to this existing contract. Regulation 72(1) (c) of PCR 2015 permits modification where:

- (i) the need for the modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
- (ii) the modification does not alter the overall nature of the contract;
- (iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement.

9. FINANCIAL IMPLICATIONS

- 9.1 Increasing patronage of the greenwave service is expected to result in ongoing increases in fares revenue in each year of the 3 year contract extension.
- 9.2 The fares revision is expected to further increase annual greenwave revenue by £24,843 which will contribute to the future viability of greenwave rapid transit.
- 9.3 Provision of Route 42 is fully funded from Section 106 developer contributions amounting to £300,000 to kick start a bus service for the development at 42 Kenavon Drive and £100,000 from the former Homebase/Toys R Us site, which is forecast will cover the cost of the service until the expiry date of the contract. However, this will be kept under review and if it is not the case then the variation will be terminated in line with the conditions of the contract and the available budget for the service. It is envisaged that £103,000 Section 106 funding is needed to support the Route 42 service in the 2018/19 financial year.
- 9.4 Then current year gross contract cost of the greenwave contract and route 42 is £1,754,259 against which income is expected to be approximately £1,753,152. The Gross contract cost for the financial year 2019-20 is expected to be £1,804,218 against which income is expected to be approximately £1,843,103
- 9.5 A commitment for the third party support for the service is an on-going arrangement since 2010, which is formalised on an annual basis. Despite the good on-going relations there is a risk that these third party subsidies could be removed. If this was the case, the timetable for the service would be significantly amended to remove/significantly reduce the service to the third parties in question and concentrated on the elements of the route that remained profitable.

10. BACKGROUND PAPERS

- 10.1 Policy Committee Report 18 July 2016.
- 10.2 Decision Book No. 528: Greenwave Bus Fares Revision, 24 February 2017