

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

19 OCTOBER 2021

REPORT OF THE CORPORATE DIRECTOR COMMUNITIES

EXTENSION TO CONTRACT FOR BUS SERVICES 65 AND 70

1. Purpose of Report

- 1.1 The purpose of this report is for Cabinet to approve the modification of an existing contract to allow for a 12 month extension to Service No. 65 (Bridgend to Talbot Green via Heol-y-Cyw) and Service No. 70 (Bridgend to Cymmer via Maesteg) in accordance with Contract Procedure Rule (CPR) 3.3.6.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:

- **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being-objectives.

3. Background

- 3.1 Bus Service No. 65 and Service No. 70 are funded through the Welsh Governments 'Bus Services Support Grant' (BSSG), with the funding administered and distributed by Monmouthshire Council (Lead Authority). Both services are classed as regional bus services, operating into other local authority areas.
- 3.2 This contract was awarded for a 12 month period, and started on 01 November 2016 to 31 October 2017 (with options to extend for periods of up to Twelve (12) months each, and up to a maximum extension period available of Forty Eight (48) months).
- 3.3 The current contract is due to expire after 31 October 2021.

4. Current situation / proposal

- 4.1 Bus travel has been severely affected by the Covid-19 pandemic with passenger numbers plummeting, whilst social distancing and additional cleansing requirements have placed added burdens and costs on operators. Early engagement was undertaken with the Corporate Procurement Team to consider available options as to the retendering or extension of the contract. It was identified that the market would be disrupted due to the impact of the pandemic and that the pace of recovery would dictate the appropriate renewal / extension process and a wait and see approach may be appropriate in the first instance.

- 4.2 During 2021 Welsh Government have stepped in to support the sector with substantial financial assistance. The sector is still trying to recover but the current emergency with restrictions still in place on public transport in Wales, and numbers not recovered to pre pandemic levels, means any current tendering process will be affected by the current restrictions within the sector. Concerns have been raised through ATCO (Association of Transport Co-ordinating Officers) about the current situation with retendering bus services. Reduced patronage following COVID-19 is very likely to increase tendered contract costs significantly in any subsequent procurement processes undertaken in the present circumstances.
- 4.3 To seek to avoid the above it is proposed to extend the current contract for a further 12 months on the basis of the same level of remuneration and during which time the contract will be retendered. It is likely that an indexation increase may be applied during the period, with calculations shared by a neighbouring Authority (Rhondda Cynon Taff County Borough Council), using the most current information supplied by the Confederation of Passenger Transport and the Office of National Statistics.
- 4.4 The Council's CPR rule 3.3.6 provides that existing contracts may be modified without the requirement for a new procurement procedure:

Where the value of the modification is below both of the following values:—

- (i) the relevant applicable financial thresholds contained in the Regulations, and
- (ii) 10% of the initial Contract Value for service and supply Contracts and 15% of the initial Contract Value for works Contracts,

provided that the modification does not alter the overall nature of the contract.

- 4.4 The initial contract value of the existing contract was £2.3 million. The proposed modification would increase the contract value by £187,227. That increase in value is less than 10% of the initial contract value, is below the relevant applicable financial threshold for the procurement of service under the Public Contract Regulations which is currently set at £189,330 and would not alter the overall nature of the contract.
- 4.5 In accordance with CPR rule 3.6 approval must be sought from Cabinet for any modification of an existing contract where the value of the modification exceeds £100,000.

5. Effect upon policy framework and procedure rules

- 5.1 There is no effect upon Policy Framework or Procedure Rules.

6. Equality Act 2010 implications

- 6.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

7 Well-being of Future Generations (Wales) Act 2015 Implications

7.1 The Well-being of Future Generations (Wales) Act 2015 Assessment Template has been completed and a summary of the implications from the assessment relating to the five ways of working is outlined below in respect of the proposal:

- **Long-term**
The provision of regional public transport bus services provides more suitable and sustainable modes for travel for the public.
- **Prevention**
Provision of bus services assist persons from being isolated in communities with access to services and employment.
- **Integration**
Provision of bus services assist access to services for the travelling public
- **Collaboration**
The service is provided as cross boundary provision between local authorities and the wider capital region.
- **Involvement**
Provision of services provides connection of communities to employment and services.

8. Financial Implications

8.1 The financial cost for the provision of the services is fully funded from the Bus Services Support Grant.

9. Recommendation

It is recommended that Cabinet:

9.1 Approve the modification of the bus service contract in accordance with CPR 3.3.6 to allow for a 12 month extension of the contract for Service No. 65 and Service No. 70 from 01 November 2021.

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Background documents: None