
**AWARD OF SUBSIDISED LOCAL BUS SERVICE CONTRACT 101/102
(DUMFRIES – BIGGAR – EDINBURGH)**

Report by Director Infrastructure and Environment
SCOTTISH BORDERS COUNCIL

16th February 2023

1 PURPOSE AND SUMMARY

- 1.1 **This report proposes that the Council endorses the award of the subsidised local bus service contract 101/102 (Dumfries – Biggar - Edinburgh) to Houston’s of Lockerbie in order to preserve the service for the communities of West Linton and Tweeddale.**
- 1.2 The 101/102 service is jointly funded by SPT, SWESTRANS and Scottish Borders Council, Midlothian Council contributes towards departure charges at Edinburgh Bus Station.
- 1.3 The route provides a direct link between Dumfries and Galloway and Edinburgh providing vital transport links for communities in Tweeddale West for work, education and leisure.
- 1.4 The service is currently operated by Stagecoach Western who delivered the supported service until August 2022 at an annualised cost of £272,000, see funding split below.
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| • SPT (Strathclyde Passenger Transport) | £132,140 |
| • SWestrans (Dumfries and Galloway) | £105,277 |
| • SBC (Scottish Borders Council) | £35,000 |
- 1.5 SWESTRANS carried out a tendering exercise in February/March 2022 for the renewal of the contract which returned a price of £507,940, representing an 86% increase in costs.
- 1.6 The increase was deemed unaffordable by partners and the tendering process was closed on the basis that no sustainable solution could be found.

- 1.7 A temporary 101/102 service contract, arranged by SWESTRANS, was agreed and put in place until 31 March 2023 to enable partners to identify a more sustainable solution.
- 1.8 SPT carried out a further tendering exercise however detailed analysis of the bids concluded that none of these offerings were financially acceptable to the funding partners and therefore could not be recommended for award.
- 1.9 Subsequent direct negotiations with local transport operators took place and Houston's of Lockerbie submitted a bid of £385,000 per annum for 3 years with the option to extend for another 2 years. All partners have agreed to support the award of the new contract.

2 RECOMMENDATIONS

2.1 It is recommended that Scottish Borders Council:-

- a) Endorses the award of the 101/102 service contract to Houston's Coaches at a cost of £385,000 per annum for 3 years (with an optional 2 year extension), effective from 1 April 2023; and**
- b) Agrees to increase Scottish Border Council's funding contribution from £35,000 to £128,333.33 per annum and reflect this cost in the annual transport revenue budget from March 2023.**

3 BACKGROUND

- 3.1 The Service 101/102 provides a direct link for communities in Tweeddale West into Edinburgh and Dumfries. The route also serves local communities in Dumfries and Galloway, Clydesdale and Midlothian as it travels along the A702 providing a link into employment, education, health and leisure for residents along the length of the route.
- 3.2 There are currently 12 journeys each way Monday to Saturday between Edinburgh and Biggar, including 4 trips through to Dumfries in each direction. On Sunday there are 4 trips each way with 2 of the 4 operating between Edinburgh and Dumfries.
- 3.3 The service is jointly funded by Strathclyde Partnership for Transport (SPT), SWESTRANS (Dumfries and Galloway) and Scottish Borders Council, with Midlothian Council providing a contribution towards the departure charges for Edinburgh Bus Station.
- 3.4 Stagecoach Western delivered the supported service until August 2022 at an annualised cost of £272,000, see contribution split below.
- SPT (Strathclyde Passenger Transport) £132,140
 - SWestrans (Dumfries and Galloway) £105,277
 - SBC (Scottish Borders Council) £35,000
- 3.5 In March 2022, SWESTRANS published an invitation to tender for the route in its current format to commence in August 2022. This was a 1 year contract with the option to extend for a further year through to August 2024.
- 3.6 There was only one response to the tender from the current operator who submitted a price £507,940. This represents an 86.4% increase on the current contract cost. This was deemed unaffordable in the long term by all partner organisations.
- 3.7 In light of this, and to ensure continuation of service and minimise disruption to the communities impacted, partners agreed to extend the contract on an emergency basis at the new tender price until 31st December, with an option to extend for a further 13 weeks i.e. until 31st of March 2023.
- 3.8 The temporary contract extension provided additional time for the partner organisation to undertake a further procurement exercise to seek an alternative affordable solution.

4 OUTCOME OF FURTHER PROCUREMENT EXERCISE

- 4.1 In terms of the scope of the tendering exercise for the 101/102 service, the funding partners considered a number of different timetable and route options to encourage interest from a range of operators along the route and to meet the needs of users. Feedback was also considered from the communities served, local members and campaign group “Standupforourbuses”.
- 4.2 The latter sharing access to an extensive community survey which was of assistance in this regard.
- 4.3 As a result, 12 different tenders were issued with a return date of 2 December 2022. The tenders issued can be summarised as:
 - 4.3.1 Modifications on the current Dumfries – Biggar – Edinburgh – Service (i.e. Including a reduction in the number of Monday to Saturday return journeys from Biggar to Edinburgh from 12 to 10 to mitigate reliability / congestion issues on the Edinburgh section of route)
 - 4.3.2 Splitting of the service at Biggar (i.e. Dumfries to Biggar & Biggar to Edinburgh)
 - 4.3.3 Splitting of the service at Abington (i.e. Dumfries to Abington & Abington to Edinburgh)
 - 4.3.4 Truncate the service at Crawford (i.e. Crawford to Edinburgh)
 - 4.3.5 Truncate the service at Moffat (i.e. Moffat to Edinburgh)
- 4.4 Bids were received from 4 different operators with prices submitted for all 12 tenders issued inclusive of the broad options noted above.
- 4.5 Detailed analysis of the bids was completed, however, none of these offerings were financially acceptable to the funding partners and therefore could not be recommended for award.

- 4.6 Further to the above, the tendering exercise was then subsequently closed. SPT, on behalf of the funding partners, then carried out further direct negotiations with operators (including those who submitted tenders and others in the area) with a view to finding a sustainable and affordable solution to maintain links on the route between Dumfries and Edinburgh via Biggar.
- 4.7 As a result of the above exercise, the funding partners recently received a bid of £385,000 per annum from Houston’s Coaches based in Lockerbie to operate a 3-year contract (with an optional 2-year extension) for a timetable similar to the one currently operating, commencing 1 April 2023. (Note this offer provides 4 return journeys daily from Dumfries to Edinburgh, with a total of 10 return journeys between Biggar and Edinburgh Monday to Saturday and 4 return journeys on Sundays).

5 IMPLICATIONS

5.1 Financial

- a) Direct negotiation with bus operators has achieved an annual price of £385,000. Split equitably this represents an annual cost of £128,333.33.
- b) The council currently has a budget of £35,000 per annum for the provision of the 101/102 service and therefore requires a funding increase in the revenue budget of £93,333.33 per annum to cover the new tender price.
- c) It should be noted that the initial tendering exercise returned a price of £507,940.00 which represented an 86% increase in the previous tender and was deemed unaffordable by partners.

5.2 Risks and Mitigations

Risks	Mitigations
There is a risk that increasing the funding on this service may raise expectations that this is achievable across all local bus services	The local transport network review will identify opportunities to enhance future transport links making public transport more sustainable
Not increasing funding for the service would leave	Remaining services in Tweeddale West could be amended to provide an alternative timetable

<p>communities in Tweeddale West isolated</p> <p>Alternative timetables could impact on the wider Peebles network</p>	<p>Analysis of ticket machine data to ensure the impact is minimised as far as possible.</p>
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5.3 Integrated Impact Assessment

A full Integrated Impact has been undertaken and concludes that the proposal should be implemented with no amendments as it will ensure connectivity for West Linton and Tweeddale communities. In addition the new service is expected to see improved quality of vehicles and as a result service reliability.

5.4 Sustainable Development Goals

In the 2030 Agenda for Sustainable Development, sustainable transport is mainstreamed across several SDGs and targets, especially those related to food security, health, energy, economic growth, infrastructure, and cities and human settlements. The importance of transport for climate action is further recognized under the UNFCCC - the transport sector will be playing a particularly important role in the achievement of the Paris Agreement, given the fact close to a quarter of energy-related global greenhouse gas emissions come from transport and that these emissions are projected to grow substantially in the years to come.

5.5 Climate Change

Public transportation is a crucial part of the solution to climate change. It can help reduce emissions of greenhouse gases and other pollutants while providing people with an efficient and affordable way to get around.

Studies on public transport have shown that switching from car to public transportation can reduce a person's carbon footprint by up to 1.5 metric tons per year.

In addition to reducing emissions, public transportation can also help reduce traffic congestion and save people money. Mass transit systems such as buses can move many people quickly and efficiently reducing the number of single car journeys which ultimately lead to increased congestion.

5.6 Rural Proofing

Not applicable as this is not a new policy or strategy.

5.7 **Data Protection Impact Statement**

There are no personal data implications arising from the proposals contained in this report.

Changes to Scheme of Administration or Scheme of Delegation

No changes to either the scheme of Administration or the scheme of delegation are required as a result of this report.

6 Consultation

The Acting Chief Financial Officer), the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications are being consulted and any comments will be incorporated into the final report.

Approved by

Director Infrastructure & Environment

Signature

Author(s)

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Background Papers: **None**

Previous Minute Reference: N\ a

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jacqueline Whitelaw can also give information on other language translations as well as providing additional copies.

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