

EAST AYRSHIRE COUNCIL

EMERGENCY POWERS COMMITTEE – 29 JANUARY 2004

KILMARNOCK TOWN CENTRE – PROPOSED HOPPER BUS SERVICE

Report By Director of Development Services

1. PURPOSE OF REPORT

- 1.1** To seek the Committee's approval to appoint a bus operator to provide the Hopper bus service within Kilmarnock Town Centre. An early decision is required to enable the Hopper Service to be in place when Morrisons Superstore opens on 2 February 2004.

2. BACKGROUND

- 2.1** Through a Section 75 Agreement (under the terms of the Town and Country Planning (Scotland) Act 1997) associated with the development of the new Morrisons Superstore, the developer has agreed to provide funding amounting to £145,000 for the introduction of a high frequency bus service circulating around Kilmarnock town centre. The bus service will link the development with the public transport interchanges and enhance accessibility throughout the town centre by public transport. The funding is sufficient to support a single bus operating the bus service for a 3 year period. It is anticipated that 3 years will be a sufficient period of time to establish whether the service is a success and to seek further funding if support is needed to maintain the service after this initial period.
- 2.2** In accordance with the Section 75 Agreement the viability of the service will be reviewed on an annual basis. Review in terms of the Agreement is linked to the date of payment of the contribution, however the developer has been requested to consider agreeing linking the review date to the date of the store opening.
- 2.3** Negotiations are ongoing with other major developers to provide future Hopper bus services linking the town centre to the Glencairn area and Queens Drive.

3. DETAILED PROPOSALS

- 3.1** It was considered that the most practicable and cost effective means of establishing the Hopper bus service would be through Strathclyde Passenger Transport. SPT will undertake all contractual arrangements and financial management on behalf of the Council. They also have specific legal powers to support local bus services.

SPT have invited tenders from four operators to run the Hopper bus service which will be provided between 9am and 6.15pm, Monday to Saturday, inclusive. The bus operators were required to provide tenders on the basis of a vehicle which provides a minimum of 25 seats and which is low floor and

provides access for wheelchair users. These buses have been referred to as “low floor” in the remainder of the report. Nonetheless, such buses are expensive and the funding available from Morrisons to support the service is limited. The bus operators were therefore also asked to provide an alternative tender for a conventional bus, with a stepped entrance. Such buses provide a convenient level of accessibility but do not provide access for wheelchairs or prams. These vehicles have been referred to as “stepped” buses elsewhere in the text. The tenderers were also required to include in their price for painting the vehicle in a colour, which will be determined by the Council.

Each tenderer was asked to provide separate prices for the following **route**, **financial support** and **vehicle access** options as set out below: -

3.2 Route Options: -

3 route options were proposed: -

- (a) A circuit from Morrisons Superstore via West George Street, Sturrock Street, St Marnock Street, and John Finnie Street (service frequency 10 minutes). This option is identified as Town Centre Small Loop in Appendix 1.
- (b) An extended variance of route option (a) to include Armour Street and Titchfield Street (service frequency 15 minutes). This option is identified as Armour Street in Appendix 1.
- (c) A more extended route which would also link into Kilmarnock college, the Council’s London Road Headquarters, Samson Avenue, MacKinlay Place, New Mill Road and Old Mill Road (Service frequency 20 minutes). This option is identified as Culzean Crescent in Appendix 1.

The service frequencies that can be provided by a single bus, on each route are indicated in brackets above and ranged between 10 minutes and 20 minutes depending on the route option.

3.3 Financial Support Options: -

The bus operators were asked to submit tenders for two alternative levels of support: -

- (a) Minimum Subsidy – in this case the operator would charge fares in accordance with the SPT fare structure for supported bus services. The operator would keep all fare revenues.
- (b) Gross Cost – in this option, the bus operator would be paid an annual level of support and all fares and concessionary reimbursement would be paid to East Ayrshire Council.

3.4 Vehicle Access Options

The bus operators were asked to provide for two vehicle access options: -

- (a) A low floor configuration, similar to the vehicle operating the Dial-A-Bus Service; and
- (b) Stepped access to the seating area in the bus

4. TENDER PRICES

- 4.1** Appendix 1 indicates the costs for the various options as tendered by the bus operators. The 5 quotations above the line fall within the Council's annual budget for the operation of the Hopper Service.
- 4.2** The lowest prices have been submitted by Tenderer A; contract reference 6954A2 - £39,995 per year and contract reference 6954A3 - £44,262 per year. The former relates to the town centre loop including Armour Street and Titchfield Street, the latter relates to the loop which extends to Kilmarnock College and Council Headquarters. In both cases, the service would be provided by extending the existing service to Bonnyton, and the vehicle provided would be a stepped bus. Fares will be set in accordance with the SPT rates for supported bus services which vary according to the length of the journey, and all fares will be retained by the operators.
- 4.3** The next 3 bids were submitted by Tenderer B; contract reference 6955A2 - £46,662, contract reference 6955A3 - £47,571 and contract reference 6955A1 - £48,177. These quotes relate to the large town centre loop via Armour Street and Titchfield Street, the extended town centre loop via Kilmarnock College and Council Headquarters and the smaller town centre loop, respectively. Tenderer B's prices are 'gross cost' in which an annual cost is paid to the operator, the fare level is set by East Ayrshire Council and all fare revenues are retained by East Ayrshire Council. All 3 quotations relate to a stepped entry bus.
- 4.4** Appendix 1 shows that all of the tenders for a low floor bus exceed the budget available to support the Hopper bus service. The price submitted by tenderers to provide a low floor bus on the large town centre route via Armour Street and Titchfield Street (contract reference 6954A5) is the cheapest for this type of vehicle. However, the cost (£58,782 per year) exceeds the funds available (£48,333 per year) by £10,449 per year.

It is proposed, therefore, that in the first instance, the contract for the Hopper bus service should be awarded to an operator using a stepped bus. The patronage of the service and need for a low floor bus, will be assessed when the service has been introduced and the usage has settled down to a consistent level. The option of upgrading to a low floor bus will be the subject of future consideration providing the need for such a vehicle has been established and the requisite additional funding has been secured.

- 4.5** It is considered that the quotation submitted by Tenderer B for the town centre loop extended to Armour Street and Titchfield Street provides a number of benefits:-
- The 15 minute service provides a convenient headway throughout the day
 - East Ayrshire Council would be able to set the fare level with a convenient flat fare for each journey;
 - Fare revenues including concessionary fares will be payable to East Ayrshire Council;

- Because the quoted prices for the route options are very similar, it will be easier to arrange future alterations to the route, if considered necessary;
- The annual price quoted by Tenderer B for a low floor bus is significantly lower than quoted by Tenderer A, allowing this option to be explored at a future date, if there is sufficient demand for the service to justify this improvement.
- It is likely to be easier to vary the route to provide better integration with future Hopper services serving other areas of the town.

5. FARES

- 5.1** It is considered necessary to make a charge for the use of the service in order to achieve long term sustainability. If Tenderer B's quotation is accepted, East Ayrshire Council will decide the fare. It is proposed that a flat fare of 20p per trip will be charged which will be convenient for passengers and the operator as the fare can be covered by a single coin and will be lower than the current supported fare rate.

There are no forecasts of potential usage at this stage. However, for indicative purposes only, it has been calculated that if 100 passengers use the service each day, the Council will receive fare revenue of slightly more than £6,200 per year.

6. PUBLICITY MATERIALS

- 6.1** Strathclyde Passenger Transport will provide timetable information and publicity materials for the Hopper Bus Service. It is understood that this service will cost approximately £1,200 per year.
- 6.2** It is proposed that the bus shall be painted in a bright, unique colour to ensure that it is readily recognisable by members of the public. It is intended that the vehicle shall carry the logos of East Ayrshire Council and Strathclyde Passenger Transport.

7. LEGAL AUTHORITY

- 7.1** The Local Government etc. (Scotland) Act 1994 established Strathclyde Passenger Transport Authority for the purpose of the Transport Acts. It is proposed that SPT be instructed to act on behalf of East Ayrshire Council for the provision of the Hopper bus service thereby utilising the Authority's experience in this field.

8. FINANCIAL IMPLICATIONS

- 8.1** The funding provided by Morrisons to establish the Hopper bus service is equivalent to £48,333 per year over three years. This is sufficient to support a single bus operating a service for an initial period of 3 years and meet the anticipated costs of publicity. If additional funding is required to provide a low floor bus or alter the preferred route this will be given consideration at a future date. The continuation of the service in the long term will depend on the level of patronage achieved during the first 3 years operation and the potential to attract in additional funds to continue supporting the service in future.

8.2 Should, following review of the service, it be agreed to discontinue the service (either during or after the 3 year period of the contract) all costs relating to the termination of the contract will be claimed from the contribution lodged by the developer. That part of the contribution remaining unexpended will be returned to the developer.

9. RECOMMENDATIONS

9.1 It is recommended that the Committee agrees:-

- (a) to accept the tender from Tenderer B for the service which covers the larger town centre circuit (including Armour Street and Titchfield Street), on a gross price basis with a stepped bus service i.e. contract reference 6955A2;
- (b) a flat fare of 20p will be charged for each trip;
- (c) Strathclyde Passenger Transport will be invited to manage the service and provide publicity materials subject to not exceeding the annual budget provided by Morrisons; and
- (d) The Director of Development Services shall seek additional funding for the possible future introduction of a low floor bus, subject to an assessment of demand and negotiations with the operator.

Stephen Chorley
Director of Development Services

KO/SH
28 January 2004

LIST OF BACKGROUND PAPERS

For further information please contact Keith Orton on 01563 555714

KILMARNOCK HOPPER SERVICE

contract ref	yearly cost	bus type	route	frequency mins	operator	contract type	option
6954A2	39995	stepped	Armour Street	15	A	cost shown to be paid	also extends to Bonnyton
6954A3	44262	stepped	Culzean Crescent	20	A	cost shown to be paid	also extends to Bonnyton
6955A2	46662	stepped	Armour Street	15	B	revenue to come back	
6955A3	47571	stepped	Culzean Crescent	20	B	revenue to come back	
6955A1	48177	stepped	Town Centre small loop	10	B	revenue to come back	
6954A5	58782	low floor	Armour Street	15	B	revenue to come back	
6954A6	58782	low floor	Culzean Crescent	20	B	revenue to come back	
6954A4	59994	low floor	Town Centre small loop	10	B	revenue to come back	
6954A1	70200	low floor	Town Centre small loop	10	C	cost shown to be paid	
6954A7	70200	stepped	Town Centre small loop	10	C	cost shown to be paid	
6954A2	71760	low floor	Armour Street	15	C	cost shown to be paid	
6954A8	71760	stepped	Armour Street	15	C	cost shown to be paid	
6954A3	75878	low floor	Culzean Crescent	20	A	cost shown to be paid	
6954A9	76440	stepped	Culzean Crescent	20	B	cost shown to be paid	
6955A1	48177	stepped	Town Centre small loop	10	B	revenue to come back	
6954A4	59994	low floor	Town Centre small loop	10	B	revenue to come back	
6954A1	70200	low floor	Town Centre small loop	10	C	cost shown to be paid	
6954A7	70200	stepped	Town Centre small loop	10	C	cost shown to be paid	
6954A2	39995	stepped	Armour Street	15	A	cost shown to be paid	also extends to Bonnyton
6955A2	46662	stepped	Armour Street	15	B	revenue to come back	
6954A5	58782	low floor	Armour Street	15	B	revenue to come back	
6954A2	71760	low floor	Armour Street	15	C	cost shown to be paid	
6954A8	71760	stepped	Armour Street	15	C	cost shown to be paid	
6954A3	44262	stepped	Culzean Crescent	20	A	cost shown to be paid	also extends to Bonnyton
6955A3	47571	stepped	Culzean Crescent	20	B	revenue to come back	
6954A6	58782	low floor	Culzean Crescent	20	B	revenue to come back	
6954A3	75878	low floor	Culzean Crescent	20	A	cost shown to be paid	
6954A9	76440	stepped	Culzean Crescent	20	C	cost shown to be paid	

