

Report to the Cabinet

Meeting to be held on Thursday, 7 December 2017

Report of the Head of Service, Public and Integrated Transport

Part I

Electoral Division affected:
South Ribble East

Preston Park and Ride - Walton-Le-Dale

(Appendices 'A' and 'B' refer)

Contact for further information:

Oliver Starkey, (01772) 534619, Head of Service, Public and Integrated Transport
oliver.starkey@lancashire.gov.uk

Executive Summary

The report sets out the situation at the Walton-Le-Dale Park and Ride following the implementation of a short term, 6 month minimum cost bus service contract on 24th July 2017 and outlines progress on investigating both short term and long term options for the continuation of the service.

Recommendation

The Cabinet is recommended to approve the extension of the short term bus service contract with Rotala Preston Bus for 2 months until 29 March 2018. This will allow for the service performance to be monitored for a sufficient time to be representative and for a full analysis and costing of the long term options for the service and Park and Ride site to be carried out for inclusion in a future report to Cabinet.

Background and Advice

Up until July 2017 the Walton-Le-Dale site was operated with a dedicated commercial service by Rotala Preston Bus (PBT). However, in May 2017 PBT formally advised officers of their decision to deregister the Walton-Le-Dale Park and Ride service. The last day of operation was Saturday 22 July 2017.

On 13 July 2017 a report was presented to and approved by Cabinet to allow the procurement of a bus operator to provide a service for the Walton-Le-Dale Park and Ride service on an initial 6 month contract so that officers could investigate options

for a long term solution for the continued operation of the Park and Ride site. During the 6 month period the operational performance of the service was to be monitored and long term options assessed and costed for inclusion in a further report to the Cabinet in the future.

After a formal tendering procedure through the county council's Local Bus Service Framework, the county council entered into a short term minimum cost contract from Monday 24 July with PBT. The temporary contract is due to expire on 27 January 2018.

The contract value is £197,600 per annum, which equates to £98,800 over the short term 6 month contract period. Under the minimum cost contract, the county council retains all on bus revenue from the service. Based on projections from the available contract monitoring figures to date (between July and November 2017), total annual revenue is expected to be £220,000 resulting in a net income of £22,400 per annum for the bus service. However, estimates for the annual costs of site maintenance under the current operation are expected to be in the region of £65,100. This results in an estimated, overall net cost per annum of £42,700.

The annual financial projections for the Park and Ride are shown in Table (1) below and in detail in Appendix 'A'.

Officers are taking a bilateral approach to improving the feasibility of the Park and Ride site by investigating ways to both reduce site management costs and to increase patronage.

Whilst progress has been made in identifying cost saving opportunities and measures aimed at increasing use of the service have been introduced, further time is required to fully assess the impact of the measures taken and to consider and cost the long term options. It is therefore proposed that the temporary contract with PBT is extended for 2 months until 29 March 2018 in order to allow analysis to be completed and a further report presented to Cabinet for a decision.

The estimated financial implications of extending the contract for 2 months are also fully outlined in Appendix 'A'.

In summary, the contract value based on 2 months operation is £32,950 with estimated revenue expected to be £36,700 (based on available passenger figures from July to November 2017). The additional site management costs are estimated to be £10,850 for a 2 month period. This results in an estimated net cost of £7,100.

Table 1: Financial Projections

Element	Expenditure/(Income)		
	Annual	6 Month	2 Month
Contract Value	£197,600	£98,800	£32,950
Estimated Revenue income	(£220,000)	(£110,000)	(£36,700)
Estimated Net Contract Value	(£22,400)	(£11,200)	(£3,750)
Site Management Costs	£65,100	£32,550	£10,850
Total Estimated Net Expenditure	£42,700	£21,350	£7,100

Officers have been investigating potential cost savings that could be made on the day to day upkeep and management of the site. This includes, amongst others, proposals such as updating the flood light system by using LED lamps, closing down part of the site to reduce the business rates and/or renting out part of the site. These need to be investigated further to fully cost the proposals in terms of initial capital outlay and potential longer term savings.

To date, it has only be possible to take forward some of the site management cost saving proposals without capital outlay: the redundant site office and the public toilets have been closed and the water supply disconnected. This will reduce costs by £1,200 per annum.

The key to improving the use of the site is to increase the awareness and attractiveness of the facility in order to encourage new users who were unaware of the service, to remind previous users of the benefits of the service and to make the service more attractive to existing users and encourage them to use the site more often. County council officers have been actively promoting the service over the past five months and full details of the progress made in marketing the service are attached in Appendix 'B'.

The marketing activities aimed at increasing passenger numbers commenced in the late summer and the resultant passenger data currently available is not considered to cover a sufficient period for the measures implemented to be fully reflected. Additional time is required for further service data to be collected to give a better indication of patronage increases.

If the recommendation in this report is approved officers will proceed with extension of the existing contract with Rotala Preston Bus until 29 March 2018.

Officers will continue to investigate solutions and aim to provide a further report to Cabinet with fully assessed and costed options for the long term operation of the Park and Ride.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

Without the proposed extension to the short term contract, the Park and Ride service from the Walton-Le-Dale site will cease to operate from Monday 29 January 2017. This will result in no Park and Ride service being offered from the site which will lead to an increase in congestion in the city centre and less sustainable travel in central Preston.

Financial

The expected contract cost of providing the service for a further 2 months will be £32,950. This is anticipated to be offset by the revenue retained from the service. Therefore the net cost of operating the service is anticipated to be approximately £7,100 for site management costs and will be met from the Public and Integrated Transport budget. A full financial estimate is provided at Appendix 'A'.

List of Background Papers

Paper	Date	Contact/Tel
Report to Cabinet 'Preston Park & Ride - Walton-Le-Dale'	13 July 2017	Maya Evenson-Appleyard/(01772) 534271

Reason for inclusion in Part II, if appropriate

N/A