

FUTURE OPTIONS FOR PARK & RIDE BUS SERVICE

To: **Cabinet**

Date: **14 December 2010**

From: **Acting Executive Director: Environment Services**

Electoral division(s): **All**

Forward Plan ref: **2010/48** *Key decision:* **Yes**

Purpose: **To update Cabinet on the future of the Cambridge Park & Ride.**

Recommendation: **It is recommended that Cabinet;**

Instruct the Acting Executive Director, Environment Services in consultation with the Cabinet Member for Highways and Access, to undertake a full options appraisal in respect of the future arrangements for the provision of Park & Ride bus services and sites for Cambridge.

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1. BACKGROUND

- 1.1 Cambridge Park & Ride operates 5 sites on the outskirts of Cambridge. The operation is a partnership between the County Council which operates the sites and Stagecoach which operates the bus service; thus there are two distinct elements of the Park & Ride service namely the bus service and site management.
- 1.2 As part of a co-ordinated approach to the transport offer for the centre of Cambridge the County Council's part of the partnership is mainly funded from on-street parking income. All bus operators using the sites must pay a Departure Charge per bus which, together with other commercial income, reduces the total demand on the on-street account to approximately £1m per annum.
- 1.3 The three major elements that make up the total cost to the Council of the Park & Ride service are the Business Rates for the sites, site maintenance and site staffing costs. The Business Rates have recently been reviewed and a reduction achieved. Site maintenance costs are fairly fixed and outsourced for best value where possible. However, Park & Ride employs 14 co-ordinators, 1 administrative assistant, 1 team leader and 1 operations manager to run the 5 sites. The total salary budget (non-management band) for 2010/11 amounts to £552k which equates to 56% of the net Park & Ride budget.
- 1.4 The costs of providing the Park & Ride service will continue to rise in the foreseeable future while the On-Street income is forecast to fall. Therefore, it is imperative that the service is reviewed to ensure best value for money in achieving desired service standards.

2. PROGRESS TO DATE

- 2.1 Although much work has been done concerning the shape and form of potential future models for the Park & Ride bus service, the Comprehensive Spending Review has changed the canvass against which the Park & Ride service has to be judged and assumptions previously made may not now be valid. Consequently, a comprehensive review of all potential future options needs to be completed in order to ensure the most cost effective and beneficial way forward for the service.
- 2.3 Recent work has included a study of other Park & Ride business models and an examination of alternative models for the bus service. Therefore, although we have a clear idea of future options for the bus service we do not yet have a comprehensive understanding of the potential options for considering both the bus service and site management tasks holistically.

3. WAY AHEAD

- 3.1 To ensure best value for money it is necessary to review all future options on which the Park & Ride service is to be based. The future options review will need to include:
 - a Bus service and site management being considered together and managed in-house or outsourced, including on a franchised basis.

- b Bus service considered separately from the management of the sites and managed as either a Quality Contract, competed on a tendered basis, a Voluntary Partnership Agreement, a Quality Partnership Scheme or other variant.
 - c Site management considered separately from the bus service and undertaken in-house or outsourced either fully or partially.
 - d Any of the above together with sub-options considering either all routes together or separately.
- 3.2 The proposed review will be used to complete further market research and to seek specialist advice. Once the conclusions of the review have been considered by Cabinet, we will need to draw up the requisite specification and other contract documentation prior to mounting an open and competitive process. Therefore, realistically this is going to take some months and it will be necessary to extend the current agreement with Stagecoach in order to provide a continuing Park & Ride bus service. This approach is consistent with the County's Contract Regulations.

4. RISKS

- 4.1 Indications from Stagecoach are that they will be prepared to extend the current agreement and therefore there is only a minimal risk to the continuing provision of the Park & Ride service.

5. FINANCE

- 5.1 The current Park & Ride service represents a net cost to the Council of £977k. Therefore, it is important that any future options seek to move towards a commercial operation basis.

6. SIGNIFICANT IMPLICATIONS

- 6.1 **Resources and Performance.** There are no significant implications.
- 6.2 **Statutory Requirements and Partnership Working.** If Stagecoach agree to an extension of the agreement we will continue to work in partnership with them as we have since the start of the Park & Ride service.
- 6.3 **Legal Implications.** An extension of the Park & Ride Agreement would need to be dealt with by formal extension. This can be done under the provisions of the County's Contract Regulations on the basis that the duration of the extension be limited to such time as is necessary to enable the full range of options to be considered in an appropriate level of detail to enable a sufficiently informed decision to be taken.
- 6.4 **Climate Change.** There are no significant implications.
- 6.5 **Access and Inclusion.** There are no significant implications.

7.6 **Engagement and Consultation.** There are no significant implications and a Community Impact Assessment has been considered and assessed to be inapplicable in this case.

Source Documents	Location
None	N/A