

NAME OF SCRUTINY COMMITTEE	COMMUNITIES
DATE OF MEETING	4 July, 2014
TITLE	Bus services in the Arfon area
AUTHOR	Cllr W. Gareth Roberts, Cabinet Member for the Environment and Aled Davies, Head of Regulatory Department
CABINET MEMBER	Cllr W. Gareth Roberts
PURPOSE	To raise the awareness of Committee members of the impact of the decision of Padarn Bus Ltd to cease trading and providing transport services in Gwynedd.

Background

1. The purpose of this report is to outline the impact of the decision of Padarn Bus Ltd to cease trading and providing transport services at midnight on Friday 30 May 2014.
2. A substantial financial impact on the Council derives from the changes. This report explains the steps that were taken to ensure that services continued and how the Regulatory Department, through the Integrated Transport Unit, will endeavour to manage the funding over the next few months.

Issues before 30 May 2014

3. Having received initial information regarding the company's vulnerable position, the Council's main priority under the circumstances was to protect services for users. To this end, Council officers collaborated closely with Government officers to find a solution.
4. This collaboration with the Government, on an officer and political level, continues.

Issues after 30 May 2014

5. During May, the Transportation Service arranged to tender all education and public services that were being operated by Padarn Bus and made arrangements to be commenced on Saturday, 31 May (public) and Monday, 2 June (education). Every education statutory journey has been addressed as part of this exercise, but there are some changes in the level of public transport service as outlined in Table 1.

Financial impact of the changes:

6. As a result of the changes the financial impact is substantial and a summary of these can be seen below:

Pure Education Additional Costs:

	Annual Costs	Pro Rata Costs (June until end of July 2014)
Padarn Current Costs:	£212,422.40	£35,403.73
Costs following re-tendering:	£256,998.37	£42,833.06
Difference:	£44,575.97	£7,429.33

Contracts under tender	Annually	Pro Rata (June - October 2014)
Padarn Current Costs:	£276,500.00	£115,208.33
Costs following re-tendering:	£246,425.60	£102,677.33
Difference:	-£30,074.40	-£12,531.00

S4 Contracts and Sherpa

	Annually	Pro Rata (June - October 2014)
Padarn Current Costs:	£88,639.37	£36,933.07
Costs following re-tendering:	£233,901.97	£97,459.15
Difference:	£145,262.60	£60,526.08

Commercial Contracts	Annually	Pro Rata (June - October 2014)
Padarn Current Costs:	-	-
Costs following re-tendering:	£260,955.78	£108,731.58
Difference:	£260,955.78	£108,731.58

Total:	£376,143.98	£156,726.66
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What is the current situation?

7. Tenders issued at short notice tend to be less cost effective than the usual five year tenders but due to the circumstances and timescale there was no other option in terms of addressing the problem of maintaining services. In order to respond to this, during the summer holidays this year the Transportation Service intends to re-tender all education services that were provided by Padarn Bus which will be operational from the start of the new academic year on 2 September 2014. These will be opportunities to offer more long-term contracts in the hope of receiving more competitive prices that will reduce costs to the taxpayer.

8. An extensive and open discussion is required with partners of the Snowdonia Green Key, i.e. the Snowdonia National Park and Conwy Council in order to determine what can be done with the Sherpa bus service. Certainly, the vision is to have a quality service which is cost effective to the partnership and sustainable in the long-term. Although short-term decisions have been made to maintain the services, there is a need to fundamentally re-examine what is provided by the end of the summer. Initial contact has been made in order to hold the discussion on shaping this important service for the future.
9. Services that were operational through contracts appear to be quite cost effective from the re-tendering that was undertaken and the service will monitor these services' level of use prior to determining whether or not to tender again. Again, it is likely that this will take place later in the summer in order to provide an opportunity to gather sufficient and robust evidence as context to move forward.
10. The commercial services that Padarn provided are very costly to be maintained from the public purse. These have been put in place because of the impact their disappearance could have on people's ability to reach services, employment and education. It is hoped that companies will register them commercially during the next few weeks and costs to the Council will reduce as a result.
11. There will certainly be further changes during the next month or two, with a possibility that another company will buy the Padarn depot in Llanberis. This could lead to new opportunities in terms of providing services in north Arfon.
12. As the situation becomes more stable over the next few months, there will be an opportunity to consider a review of the arrangements of the Integrated Transport Unit by the Edge company which has recently been commissioned. As the Scrutiny Committee is aware, the financial situation in terms of providing transport was critical before Padarn's problems became evident and their impact is that the risks of seeing the financial gap increasing are substantial. Work is ongoing to try and rationalise and adapt the network within the available budget and the Cabinet will consider these proposals in the Autumn in terms of addressing how the service can deal with this situation together with the financial gap that already faced us before the crisis.
13. I believe that it is appropriate for me to note that this situation has had a substantial impact on the broader work programmes of the Regulatory Department and the Transportation Service in particular. Every effort is being made to move resources and capacity to reduce impacts on schemes and residents but it cannot be guaranteed that some delivery timescales will need to be slipped. I am having weekly discussions with the Head of Department regarding this.
14. Finally, but very importantly, I would like to emphasise my thanks to the staff of the Transportation Service, and to the staff of the Integrated Transport Unit in particular, for the commendable work that has been done to try and reduce

the impact on Gwynedd residents. I would also like to thank the staff of other departments, particularly the Finance and Legal Departments that have supported them. The impact of such an incident is substantial but through their efforts it was managed to minimise the impact on Gwynedd residents. I would like the Committee to note my appreciation of their efforts.

TABLE 1

Contract	Route	New operator	Previous frequency	Current frequency
6	<i>Bethesda - Mynydd Llandygai - Bangor</i>	Arriva	>every two hours	>every two hours
67s	<i>Bangor - Tregarth - Bethesda - Gerlan (Sundays)</i>	Arriva	every hour (and >every 2 hours by Arriva)	>every two hours
72	<i>Bangor - Felinheli - Bethel</i>	Express Motors	4 circular journeys a day (and service 73)	4 circular journeys a day - service 73 coming to an end
83	<i>Caernarfon - Deiniolen - Dinorwig</i>	Express Motors	every hour – ending at 2220	every hour – ending at 1900
85s	<i>Bangor - Deiniolen - Llanberis (Sundays)</i>	Arriva	every two hours	every two hours
88s	<i>Llanberis - Llanrug - Caernarfon (Sundays)</i>	Express Motors	every hour	every hour – but with additional journeys
87/S4	<i>Caernarfon - Waunfawr - Beddgelert</i>	Express Motors	every 2 hours – One two-way journey on Sundays	every two hours – loss of service on Sunday
Sherpa	<i>Sherpa</i>	GHA	Llanberis to Betws y Coed – every hour Llanberis to Penypass - every ½ hour Bethesda to Betws y Coed – one a day	every two hours every ½ hour on weekends only None – starts in Capel Curig
75	<i>Maesgeirchen - Bangor - Parc Menai</i>	Arriva	every hour	Removed – service 78 Arriva running every ½ hour
85	<i>Llanberis - Llanrug - Bethel - Bangor</i>	Express Motors	every hour	4 two-way journeys and education statutory journeys
88/89	<i>Llanberis - Llanrug - Caernarfon</i>	Express Motors	every ½ hours	every hour
10	<i>Caernarfon - Bangor</i>	-	every ½ hour	Council has not tendered the service – Arriva Service 5/X5 every 15 minutes
76/77	<i>Gerlan - Bethesda - Rachub - Bangor</i>	-	>every two hours	Council has not tendered the service – Arriva Service 7/67 every 20 minutes
71/75	<i>Bangor - Maesgeirchen</i>	-	every 20 minutes	Council has not tendered the service – Arriva Service 78 every ½ hour
73	<i>Bangor - Minffordd - Caerhun</i>	-	5 circular journeys a day	Council has not tendered the service – Arriva Service 72 four times a day
92	<i>Caernarfon - Maes Barcer</i>	-	Every 15 minutes and 5 minutes between Express and Padarn	Council has not tendered the service – Express Service 92 every 20 minutes