

## Cabinet

<b>Report Title:</b>	Ipswich Park and Ride
<b>Meeting Date:</b>	13 December 2016
<b>Lead Councillor(s):</b>	Councillor James Finch, Cabinet Member for Highways and Transport
<b>Local Councillor(s):</b>	Councillors David Busby and Patricia O'Brien
<b>Director:</b>	Geoff Dobson, Director of Resource Management
<b>Assistant Director or Head of Service:</b>	Aidan Dunn, Assistant Director Procurement and Passenger Transport
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### Brief summary of report

1. The Ipswich Park and Ride service is an important part of the town's transport infrastructure, providing a valued service to commuters, visitors, shoppers, and those accessing the hospital and railway station, and helps reduce traffic congestion and the associated environmental impact of cars. It adds to the credibility of Ipswich as a vibrant town.
2. The current service is subsidised by the tax payer with the County Council historically paying over £700,000 per year for the service. Over recent months the County Council has led a working group to review the service and develop a new operating model which will allow the service to continue operating without reliance on tax payer funding.
3. Cabinet approved the principles of a new operating model in July 2016 and delegated authority to the Director of Resource Management, in consultation with the Cabinet Member for Highways and Transport, to finalise arrangements.
4. Unfortunately, negotiations with one of the operators reached an impasse. The issue being that Suffolk County Council is unable to implement the highways infrastructure improvements within a timescale that is acceptable to Ipswich Buses Ltd.
5. However, an alternative proposal submitted by First Eastern Counties Buses Limited (First ECBL) seeks to offer a significant improvement on the service model previously agreed, and will enable a dedicated park and ride service to be retained at minimal cost to the County Council. The new service (and associated savings) could commence in July 2017.
6. The key issue is that the new proposal falls outside the delegation previously approved by the Cabinet, so Cabinet is requested to consider and approve the new proposal.

## What is Cabinet being asked to decide?

7. Cabinet is asked:
  - a) to approve the principles of a revised operating model for the Ipswich Park and Ride bus service (paragraph 33);
  - b) to delegate authority to the Director of Resource Management, in consultation with the Cabinet Member for Highways and Transport, to finalise the arrangements for the new bus service and organise the smooth transition from the existing arrangements to the new model, following the steps as set out in paragraph 38;
  - c) should final agreement not be reached with the proposed new service operator, to agree that the current service will not be stopped before a further consultation and report to Cabinet.

## Reason for recommendation

8. In February 2016 the Council approved the 2016/17 Council budget which included a requirement to review the Ipswich Park and Ride service *'to find savings during 2016-17, with the intention of the service being self-funding by 2017-18. If the service is not able to become self-financing then the Council will consider closing the entire operation in order to achieve the required savings.'* Since that time officers have worked with transport operators and other stakeholders to develop a solution.
9. Cabinet approved the principles of a new operating model in July 2016. However, despite the best endeavours of all those involved an impasse has been reached as that model cannot be delivered within acceptable costs and timescales due to the complexity of the highways infrastructure improvements required by Ipswich Buses Ltd.
10. An alternative approach has therefore been developed which can be implemented more quickly, deliver savings earlier, and offers a more attractive customer experience.

## What are the key issues to consider?

11. Whilst there is no statutory requirement for Suffolk County Council to provide a Park and Ride service, in Ipswich it is an important part of the Town's transport infrastructure for those wishing to access the town centre and other facilities. The service currently transports over half a million passengers each year.
12. The County Council is a signatory to the Ipswich Vision. One of the Vision's 21 priorities is for the Park and Ride service to be included in an overall car parking strategy for the town. Consultants have just started work in preparing this strategy and are due to report in early 2017.
13. The budget for the Park and Ride has already been reduced in 2016/17, with the expectation that the service will be self-funding in 2017/18. Action needs to be taken to remain within budget and achieve the most cost effective deal possible.
14. Users of the service, Ipswich residents and stakeholders are sensitive to the changes being made and there would be implications for the reputation of the town if the service were to stop. The new offer is an opportunity to secure a

significantly improved service deal for users and retain a dedicated and exclusive Park and Ride service.

### **What are the resource and risk implications?**

15. The revised model remains a change from a contract for services to the operation of a commercial route. This transfers the financial and commercial risk of running the service from the County Council to a local bus operator.
16. Although fewer changes to the bus service are now proposed, which reduces the adverse impact and uncertainty for customers, a small increase in some fares may affect customers. It will be the responsibility of the operator to manage the commercial viability of the service.
17. There are a number of highways infrastructure changes planned which will benefit the operation of all buses around Ipswich, including the Park and Ride Service. These will require investment from existing highway improvement budgets.

### **What are the timescales associated with this decision?**

18. There is a contractual requirement to give 6 months' notice to the existing operator of the Ipswich Park and Ride. The target date for the start of the new commercial service is therefore July 2017.

### **Alternative options**

19. The Council could decide:
  - a) not to approve the new model proposed, and to continue with the decision made on 14 July 2016 to pursue the model of splitting the service in two, involving two operators. This would mean the Council committing to a later implementation date, and higher investment of capital in road infrastructure improvements;
  - b) to make no changes to the service and reinstate the budget which was reduced by £500k in April 2016 and will be reduced by a further £200k in April 2017;
  - c) to undertake consultation on the closure of the sites prior to a further report to Cabinet.

### **Who will be affected by this decision?**

20. Users of the Park and Ride service will be affected, which includes commuters (including County Council staff), shoppers, students and patients and visitors to Ipswich hospital. This decision will specifically benefit those wishing to make cross town movements, for example students wanting to get from Martlesham and Kesgrave to Suffolk One, and patients and visitors coming from west Suffolk that want to get to Ipswich Hospital without having to change buses in Ipswich town centre. Maintaining this ability to travel by bus across Ipswich will maximise the attractiveness of parking on the edge of town, thereby benefiting residents who will experience less traffic congestion and air pollution.
21. Retailers and other businesses in town will also be affected by this decision because the cross town service and range of ticket offers will facilitate greater movement of customers. In addition, branding and marketing of a single

Ipswich Park and Ride service adds to the credibility of Ipswich as a vibrant town.

22. Residents in east Suffolk and businesses in Woodbridge will also be affected by the implications of the offer as service frequency will improve on the Woodbridge/Aldeburgh corridor. Residents and visitors will also have the opportunity to park and use bus services to Woodbridge thereby benefiting Woodbridge residents who will experience less traffic and congestion and air pollution.
23. Residents in Snape, Tunstall and Knodishall may experience a change in service provision.

## **Main body of report**

### **Background**

24. The background to the Ipswich Park and Ride service can be found in the 12<sup>th</sup> July Cabinet paper. At that meeting the Cabinet agreed a new operating model for the Park and Ride service which featured:
  - a) The bus service will no longer be managed through a direct contract funded by the County Council, but instead operate a “commercial service” funded by the passengers.
  - b) The service will split into two; Ipswich Buses Ltd operating the service from the London Road site (6 to 7 minute frequency) and First ECBL operating the service from the Martlesham site (15 minute frequency).
  - c) Both operators would reroute some of their existing commercial services to include a stop at the Park and Ride sites.
  - d) Both operators would provide additional vehicles on those routes, increasing the frequency of buses to ensure the service remains attractive to Park and Ride users.
  - e) The cost to passengers of catching a bus at a Park and Ride site would be unchanged, typically £2.50 return to town centre, £3 return from London Road to Martlesham and vice versa.
  - f) Car parking would be free for customers using the Park and Ride bus service
  - g) The services would be clearly identified as a “Park and Ride” service.
  - h) Both bus operators required a subsidy until infrastructure improvements are completed.
25. Cabinet approved the new model but during the preparation of the proposal concerns from customers and other key stakeholders were raised including:
  - a) Lack of through Ipswich service, particularly linking London Road to Ipswich hospital
  - b) The longer journey time with the London Road service going ‘round the houses’ through a residential estate
  - c) The lack of ‘exclusive’ feel of the service
  - d) The inability to commence the service until expensive highways infrastructure improvements had been made.

26. Following the Cabinet meeting in July the operators were asked to prepare a 'best and final offer' for the bus service. As part of this process Ipswich Buses Ltd were clear in their requirement for highways infrastructure improvements to be made before they took on the service. First ECBL did not require infrastructure improvements for their part of the service. As part of this 'best and final offer' process First ECBL also put forward an alternative service proposal to run the entire Park and Ride service using the existing routes. County Council officers noted this alternative offer but decided at that stage to continue to develop the original proposal as approved by the Cabinet.

### **Highways Infrastructure improvements**

27. Cabinet approved the new operating model in July 2016 with the condition that *'notice shall not be served on the existing contract until after a Memorandum Of Understanding has been agreed with the bus operators, setting out a clear timetable for achieving agreed infrastructure improvements.'*
28. Since July meetings have taken place with the operators and stakeholders to clarify the infrastructure changes they wished the County Council to consider. Over 90 separate actions were requested including:
  - a) changes to signal timings;
  - b) extending clearways;
  - c) redesigning laybys on the Chantry estate;
  - d) complicated bus priority schemes; and
  - e) relocation of bus stops in the town centre.
29. All the requests are detailed in the map in Appendix A. The estimated total cost of all these changes is £3.8m and so far four of the infrastructure improvements have been completed, 60 are being designed so accurate costings can be established and a further 28 are under investigation.
30. Operators were asked for their view on what were the essential changes before the new model could begin. Ipswich Buses Ltd still have a requirement for a number of schemes that will deliver a 6 minutes saving to be completed before the change to the commercial operating model can be made and these are detailed in Appendix B.
31. The County Council highways and transport teams have assessed the requirements and estimate that not all of them are feasible, and for those which are feasible it would take 18 months to implement them.
32. An impasse has been reached. The County Council wants to retain a Park and Ride service in Ipswich, but the financial pressures it is facing mean that savings must be made quickly, and the proposed model cannot commence for at least 18 months. An alternative approach must be found if the Park and Ride Service is to be retained.

## Improved operating model

33. Given the situation, County Council officers turned their attention to the alternative 'single operator' proposal which had been previously put forward by First ECBL. After careful consideration and reworking of projections, First ECBL have formally proposed to operate the entire Park and Ride service across Ipswich. This would mean:
- a) The route remains the same as the current route with a dedicated and exclusive service that would not be required to go 'round the houses'
  - b) The service would operate across Ipswich connecting the two Park and Ride facilities.
  - c) The service would operate with a 15 minute frequency and have the same journey time as the current service
  - d) There would be a single operator with a single distinct brand.
  - e) There would be a simplified fare structure offering multiple and off peak discounts and no change to the Free Pass Holders (£1.50)
  - f) Highways infrastructure improvements would be welcome but not time critical
  - g) An improved service offer on the Woodbridge/Aldeburgh corridor increasing the frequency for the key towns and potentially offering a park and ride connection for Woodbridge.
  - h) The service could commence in July 2017 with associated savings realisable from that date.
34. However there are some drawbacks:
- a) The service would operate with a 15 minute frequency throughout rather than currently every 12 minutes;
  - b) Small increase in some ticket prices £3 standard price for all day ticket, £2.50 after 12 noon). However all Park and Ride tickets would be "all day" tickets allowing unlimited use of Park and Ride services. This would allow people the opportunity to return to their cars to deposit shopping before returning to the town centre for evening activities or making multiple journeys across the town centre (i.e hospital);
  - c) First ECBL may have to reduce their service to Snape, Tunstall and Knodishall, in such an event mitigating measures are potentially available through other operators and the Connecting Communities demand responsive bus services.
35. The view of officers is that the proposal is attractive as it:
- a) Provides certainty over the future of the Ipswich Park and Ride Service;
  - b) Provides the earliest possibility for savings;
  - c) Improves the customer experience compared to the model agreed in July 2016.

36. The significant improvements in the offer, benefiting residents, visitors and businesses include:
- a) Continuity for existing users with a route they are familiar with
  - b) Consistent frequency offer of 15 minutes throughout, easier for users, marketing and promotion
  - c) Ability to travel across town without having to change buses, continuing the existing ability for students to get from Martlesham to Suffolk One, commuters to get to Ipswich station and hospital patients and visitors to come from West Suffolk park at Copdock and get to Ipswich hospital.
  - d) Average journey time (i.e. from the site to alighting in the town centre) will not increase and as a result of the infrastructure discussions and planned infrastructure improvements should in fact decrease over time
  - e) A dedicated Park and Ride service for Ipswich with new and single branding from Copdock to Martlesham
  - f) Improved frequency of commercial services on the Woodbridge/Aldeburgh corridor.
37. It is on this basis that Cabinet are recommended to proceed with the First ECBL proposal for the operation of the bus routes.

### **Next steps**

38. The next steps in progressing this aspect of the project are:
- a) Agree a service level agreement with First ECBL for the use of the sites and associated service expectations;
  - b) Serve notice on the existing contract with Ipswich Buses Ltd;
  - c) Select the preferred options to maximise income/minimise costs of the sites;
  - d) Develop and implement a programme for the delivery of highways infrastructure changes which will benefit all buses in Ipswich.

### **Update on the Park and Ride sites**

39. At the July meeting Cabinet delegated authority to the Director of Resource Management, in consultation with the Cabinet Member for Highways and Transport to undertake an options appraisal to determine the best use of the sites to minimise their net running costs, and implement that option. This work is continuing and is aligned to the proposed start of the new service in July 2017.
40. Further consideration of the options for the two sites are being considered by Concertus, Design and Property consultants, with a view to producing a marketing plan and timelines. The two sites have a capacity for 550 cars and although they are underused proposals are being developed that assume 400 spaces will be retained for park and ride use. CCTV equipment is to be retained and the intention is that toilet availability will be secured for the transitional period prior to long term facilities being in place, agreed with new occupants.

Similarly, options for the operation of the car parks are being investigated. Concertus are instructed to pursue a dialogue with East of England Ambulance service, who are looking for a site for an ambulance hub, with view to negotiating terms, however planning and feasibility are still issues that need to be addressed. More detailed calculations of potential lease yields and maintenance costs following use changes on site are yet to be prepared.

41. Cabinet is asked to:

- a) Approve the principles of a revised operating model for the Ipswich Park and Ride bus service (paragraph 33);
- b) Delegate authority to the Director of Resource Management, in consultation with the Cabinet Member for Highways and Transport, to finalise the arrangements for the new bus service and organise the smooth transition from the existing arrangements to the new model, following the steps as set out in paragraph 38;
- c) Should final agreement not be reached with the proposed new service operator, then Cabinet are asked to agree that the current service will not be stopped before a further consultation and report to Cabinet.

**Sources of further information**

- a) Cabinet (14 June 2016) Item 7: Ipswich Park and Ride
- b) Scrutiny Committee paper (29 June 2016)
- c) Cabinet (14 July 2016)
- d) Equality Impact Assessment (23 November 2016) [EIA](#)