Henley-on-Thames Town Council

Invitation to Tender (Competitive tender with negotiation):	Henley Town Local Bus Service - Current Routes 151, 152 and 153
Invitation to Tender Issued:	12th March 2020
Closing date for Invitation to Tender:	17th April 2020
Bid opening and scoring:	20th April 2020
Negotiations with successful bidder:	End April 2020
Service start:	8th June 2020
Contact for tender:	Cath Adams, Planning and Project Manager
Tender contact details	c.adams@henleytowncouncil.gov.uk, 07801 594121

1. Route Summary: A network of services radiating from Henley Town Centre linking the main parts of the town

2. Days of Operation: Monday to Friday with Saturday operation as an additional option

3. To Commence: Monday 08 June 2020

4. Duration: 5 Years, with a possible extension of a further 3 years subject to availability of funding, satisfactory performance and passenger need.

5. Standard Route Details: Routes expected to be included in bids are **151, 152 and 153**

Please see https://www.reading-buses.co.uk/services **(151,152 and 153) for the existing timetable**

These services to be extended to include Highlands Park and to consider a two way operation on Greys Road

Other routes may be included in tender bid at service provider's discretion, although these would form part of any negotiation.

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6. Minimum Timetable:	Please refer to indicative timetables at Appendix 1. Assuming all routes are covered, Henley Town Council is looking for an hourly service from 7am to 7pm, with ideally a minimum of 8:30am - 4.00pm or a timetable that makes the most economical use of the time of one driver. A further option is requested for provision of a Saturday service as presently provided. The successful Service Provider would be expected to provide timetables that ensure all journeys can be operated punctually and reliably. Suitable variations to fulfil this obligation will be considered.
7. Variations to Route and timetable:	Any variations will be considered on their merit. **Highlands Park must be included in the route.**
8. Fares:	The Council is inviting Minimum Cost Tender Bids only (revenue from ticket sales and from re-imbursement due for participation in the concessionary travel schemes from Oxfordshire County Council). The Council shall therefore set the fare charts and the successful service provider must adhere to these and to any other fare schemes that may be introduced, such as a residents' Henley Bus Card.
9. Vehicles:	Low Floor Service Buses with accessibility features that are fully compliant with the Disability Discrimination Act (DDA – now subsumed within the Equalities Act 2010). It should be noted that the passenger demographic demonstrates highest levels of usage by residents of retirement age. A personable and friendly bus driver is essential. Size of vehicle to be left to the tenderer's discretion. The Council has declared a Climate Emergency and would look favourably on hybrid, battery, gas powered or other low emission vehicles. Low emission vehicles and newer vehicles will score more points in the quality assessment aspect of the tender submission. Full details of the proposed vehicle(s) to be used on this contract must be detailed in the Form of Tender.

10. Bus Purchase and or Lease

Henley Town Council is entitled to Community Infrastructure Levy and S106 contributions for bus services in Henley. These are to mitigate the effects of 500 new houses in Henley in terms of extra car journeys and associated air quality and pollution issues. Henley Town Council may be minded to enter into an agreement to purchase a low emission bus to be used on the route and to enter into a lease back arrangement over the period of the contract. This may form part of the tendering bid.

If the bus is leased back to the successful bidder, the successful bidder will be responsible for the maintenance and operation of the vehicle(s) for the period of the contract.

If this model is of interest, please provide a quotation.

11. Patronage and Revenue

See the bus study produced by our associate consultant from 2018, together with passenger figures from the current operator of the service (Appendices 2 and 3)

12. Ticket Machine

It is the successful Tenderer's responsibility to ensure that a fully-functional electronic ticketing machine (ETM) that is fully compliant with the ITSO standard for interoperable ticketing (incorporating fully-functional ITSO smartcard reader and interacting fully and correctly with relevant ITSO supporting systems is correctly configured by, deployed and used by the successful Tenderer for the acceptance of valid ITSO smartcards and sale of tickets on all journeys secured under this contract. The successful Tenderer shall also ensure that sufficient back-up ETM equipment is available, to allow for hardware and software faults. These costs, it is believed, may be off-set by claiming the uplift on Bus Service Operators Grant from the Department for Transport for having ITSO smart ticketing.

The ticketing system shall be capable of rapid and accurate exporting, in accessible electronic formats (Excel spreadsheet and PDF), of relevant patronage data to meet the Council's requirements.

The successful Tenderer will supply these machines as part of the contract.

13. Real Time Passenger Information

Bus journeys secured under this tender should be tracked by Real Time Passenger Information systems.

The successful Tenderer may optionally install audio-visual variable message displays (customer information screens), driven by the RTPI system, on vehicles at their own expense with the appropriate graphics and audio for these screens being funded by the bus operator and the content for these screens being agreed in advance with the Council.

The successful Tenderer is responsible for the timely provision (at least 14 days in advance of the change date) of accurate source data

(schedules, journey / trip numbers and driver duty information) to the Council or the Council's nominated agent to ensure accurate tracking of journeys operated and the provision of Traveline data.

14. Traveline

The successful service provider shall bear appropriate call costs relating to the Services provided under this contract to the National Traveline System. They are expected to be in the region of £350 per annum.

15. Tender Pricing

Tender pricing is required for:

HTS1 (Core bid) Mon-Fri (hourly)

HTS2	Additional Saturday (hourly)
HTS3	Alternative 8:30am to 4pm Mon-Fri (hourly)
HTS4	Alternative 8:30am to 4pm Saturday (hourly)

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Appendix One: For Existing Timetables and Maps, see reading-buses.co.uk/services

– 151, 152, 153

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Town Council

Henley-on-Thames
Bus Services Business Plan

HTP Consulting Ltd
03/05/2017

HENLEY-ON-THAMES
BUS SERVICES BUSINESS PLAN

Client:

Bus Working Group,

Henley-on-Thames

Town Hall/Market Pl,

Henley-on-Thames,

RG9 2AQ

Prepared by:

HTP Consulting Ltd,

Woodpecker House,

Hungerford,

Berks. RG17 ORS

Tel: 01488 681419

Doc Ref: Bus Services Business Plan 03 05 17

Date: 3rd May 2017

Contents

1. Introduction

1.1 This report has been commissioned by Henley Town Council to assist the Bus Working Group in identifying a way forward for buses in the town. In June, this year funding for the Whites Coaches town bus is due to stop and there is a strong desire to retain the service in the community for the future. The Working Group are keen to explore other options that could meet wider aspirations in terms of the Transition Towns, cleaner air and reduced congestion. The Council require a business plan to understand the costs of these alternative bus scenarios.

1.2 This report sets out a series of bus options for Henley over the next 12 years. Twelve years is identified as it is 10 years after a new bus is estimated to be provided. The ten years is a common time horizon for a business plan and coincides with a typical life of a bus and a reasonable the repayment period.

1.3 Key to understanding what can be achieved in the future are the existing services that operate in and through the town. These are detailed in a supplementary report called 'Review of Bus Service and Options Development'. The Table 1 below summarises these services:

Table 1 Route Summary of Henley Buses

Local Routes			
151	Whites Coaches (Sat 19/03 Carousel)	Starts at the market place and goes to Deanfield Avenue to Deanfield Road and Valley Road, Elizabeth Road, Nicholas Road, returning to the centre along Greys Road and through the carpark.	0900-1400, hourly
152	Whites Coaches	Starts at the market place, goes through the carpark south of the Market Place onto the A4155 (Reading Road) down to the Tesco Superstore. Returns through Wilson Avenue, South Avenue and Harpsden Way before re-joining the A4155 north bound back to the town centre, returning to the Market Place stop through the car park.	0900-1400, hourly
153	Whites Coaches	Starts at the market place, goes to the residential area in the north of the town. It goes past the hospital, along Mount View to Crisp Road, looping back past Abrahams Road and Luker Avenue and then returning to Market Place.	0900-1400, hourly
154	Whites Coaches	Finally, Route 154 goes to Deanfield Avenue (SE-bound) and follows Greys Road until turning onto Green Lane going on to Blandy Road, Makins Road, and re-joining Greys Road. It continues along Greys Road until it gets to the carpark that leads to the Market Place.	0900-1400, hourly
External Routes			
139	Thames Travel	Wallingford - Henley-on-Thames	0800-1900, hourly
145C	Whites Coaches	(Woodcote) - Caversham Heights - Henley on Thames	Before and after school hours
239	Courtney Buses	Maidenhead - Hurley – Henley	Before and after school hours
80X	Carousel	High Wycombe - Marlow - Henley	Before and after school hours
X80	Carousel	High Wycombe - Henley - Shiplake - Reading	0600-2100, hourly
800	Arriva	High Wycombe - Marlow - Henley - Shiplake - Reading	0600-2300, at least hourly
850	Arriva	High Wycombe - Marlow - Henley - Wargrave - Reading	0600-2000, hourly

1.4 An on-bus survey was carried out on the Whites Coaches town services. This provided some helpful information and data on ridership numbers, their characteristics and their views. This is all detailed in Section 2 of the Review Report and the key findings can be summarised as:

- The internal town bus services are made up of four bus routes comprising 151, 152, 153 & 154. These are operating during school hours (09.00 to 14.30) by Whites Coaches. Carousel will soon be operating service 151 on Saturday.
- The service seems moderately well used with 82 passenger trips over the day. White Coaches figures later showed that there were, on average, 106 trips per day. Average passenger loads per trip of 4-5 passengers. The most popular routes were to the north-western area of the town by routes 151 with 30 trips and route 154 with 25 trips and loadings typically of 6-8 passengers. The least popular was route 153 to the north-west area with just 9 trips during day and loading of mainly just 1 or2.
- Most passengers are concessionary estimated to be about 80%. The survey matched Whites Coaches figures later found that, on average, 93% of passengers were concessionary. The reasons for travel was mainly shopping (53%), then social (16%) with leisure and no car both at 9%.
- Passengers appreciated the personable, helpful and friendly service from the driver of the small operator.

1.5 There are already a variety of bus service options available to the town. There is a balance to be struck between a desirable level of service and what is viable. In terms of funding towards services as set out in the Review Report para 3.31, support from Oxfordshire County Council is no longer available, so income is available from fares, S106 developer contributions, sponsorship and the Town Council. Some infrastructure funds could possibly be sourced from the Local Enterprise Partnership (LEP).

1.6 Overall three main service options have been worked through is detail. Within each of these there are sub options and variations that will be necessary to help optimise the service. In particular, the period of time over the day, the days of the week covered and the frequencies. The three options are named A-C and are as follows:

- Option A: Existing service retained and upgraded;
- Option B: Henley Hopper;
- Option C: Henley Hopper & Rail Station.

1.7 Once the preferred option is identified, then this can be developed in more detail. In addition, the 'bolt-on' improvements can be added which include:

- Upgrading the bus stops, especially the flag stops;
- Marketing of the service.

1.8 To be financially sustainable all options require varying degrees of passenger growth. The passenger numbers and growth required for financial sustainability is detailed with each option. For each of the projections a steady 10% growth rate is used. When a new bus is introduced a one off 20% growth rate is used. For most projections this combination reaches financial sustainability within 6 or 7 years.

1.9 Fares are assumed to remain the same. Changing them would requires negotiation with Oxfordshire County Council to recalculate subsidy from concessionary fares.

2. Option A: Existing Service Retained & Upgraded

2.1 Option A, retains the existing service largely unchanged except for the following improvements:

- a replacement bus;
- extend the route 153 to operate via the hospital;
- improved marketing and flag stop facilities.

2.2 There is a strong case for retaining this service as it functions efficiently for school transport in the morning and late afternoon. In between, it provides a useful shopping and social access service for mainly concessionary fare paying passengers when the bus and driver are available. Details of the attitudes and characteristics of the existing users is contained in Section 2 of the Review Report. Table 2 shows and estimates of the costs at £104k per annum which includes £10.6k for a new bus. Table 3 the income for the service at year 1 with 106 passengers

2.3 The new bus which adds an estimated £890 per month. Whites Coaches need to consider bus replacement as the existing bus is reaching the end of its working life. Therefore, an additional column is added to the table that has 'profits no bus cost' which shows the effect were the Council to purchase a new bus for the operator. The recommended bus is the Mercedes chassis 21 seater, modern diesel with a capital cost of £93,000, as referred in section 3.5 of the Review Report. Other buses can be considered as referred in the report (paras 3.3-3.8), with CNG/LPG and notably in a few years an electric could be a worthwhile.

Table 2: Option A: Cost Estimates

	Price	Quantity per day	Cost per day	Days per month	Per month	Per annum
Driver	£14.00	12	£168.00	21.67	£3,640.00	£43,680.00
Bus Cost	£0.83	210 km	£174.30	21.67	£3,776.50	£45,318.00
Sub total					£7,416.50	£88,998.00
New bus					£890.00	£10,680.00
Operator Profit	5%				£415.33	£4,983.90
Total					£8,721.83	£104,661.90

Table 3: Option A: Income Estimates

	Surveyed ridership	Bus company figures	Price	Per day	Per month	Per annum
Regular	16	6.9	1.5	£10.33	£215.25	£2,583.00
Concessionary	66	98.9	1	£98.90	£2,060.50	£24,726.00
School service	105		2.25	£236.25	£3,839.06	£46,068.75
			Total	£345.49	£6,114.81	£73,377.75
School weeks per year			39			
Effective weeks per year			50		20.8	

1) 5 days of operation per week, effective weeks control for bank holidays and disruptions

2.4 A summary business plan with forecast for the service over 12 years is shown on Table 4. The forecast shows the profits with and without the bus company having to pay for the new bus as

the bus could be purchased by the Council and leased to the bus operator. The profits are shown without any subsidies. Potentially, available Section 106 subsidies (timings may vary) are listed alongside profit estimates and if available then the service could be sustained until 2024/5. The forecasts suggest that if the bus is funded, then about 40 extra passengers are required to make the service viable (106 to 186). Without the bus funded this increases to about 80 extra trips (106 to 225).

2.5 These profit projections are fairly consistent with those of Whites Coaches. They consider that an £18,000 subsidy is required in year one but a new bus is more at an additional £18,000 per annum, based on a more expensive bus at £120,000 (full price) and repaid over 7 years.

Table 4: Option A: 12 Year Business Plan with Forecasts

	Occupancy	Trips	Costs	Income (incl. school)	Profits incl. new bus	Profits excl. new bus	S106 Contribution
2017/18	33.58%	106	£93,981.90	£73,377.75	N/A	-£20,604.15	
2018/19	36.94%	116	£93,981.90	£76,108.65	N/A	-£7,193.25	£17,000.00
2019/20	44.33%	140	£104,661.90	£82,116.63	-£22,545.27	-£11,865.27	£18,000.00
2020/21	48.77%	154	£104,661.90	£85,721.42	-£18,940.48	-£8,260.48	£18,000.00
2021/22	53.64%	169	£104,661.90	£89,686.68	-£14,975.22	-£4,295.22	£18,000.00
2022/23	59.01%	186	£104,661.90	£94,048.48	-£10,613.42	£66.58	£18,000.00
2023/24	64.91%	204	£104,661.90	£98,846.45	-£5,815.45	£4,864.55	£18,000.00
2024/25	71.40%	225	£104,661.90	£104,124.22	-£537.68	£10,142.32	£18,000.00
2025/26	78.54%	247	£104,661.90	£109,929.77	£5,267.87	£15,947.87	£0.00
2026/27	78.54%	247	£104,661.90	£109,929.77	£5,267.87	£15,947.87	£0.00
2027/28	78.54%	247	£104,661.90	£109,929.77	£5,267.87	£15,947.87	£0.00
2028/29	78.54%	247	£104,661.90	£109,929.77	£5,267.87	£15,947.87	£0.00

1) Occupancy based upon capacity of 60 trips per hour
2) School service income assumed constant

2.6 A sub option may have to be considered with bus route 151 being operated by Carousel during the week who have recently started this service on Saturdays. While this would extend the hours during the day it is recommended that this is discouraged as it would have the three negative effects:

- Taking custom from the existing town service, with 151 being the busiest route;
- Remove the interconnectivity of the routes which some customers liked;
- Remove the flexibility of tickets not being applicable on different bus company services.

2.7 In summary, retaining the service has some merit and should be able to become a profitable service. If pursued then the Council are recommended to:

- Look out for grants and provide a replacement bus;
- extend the route 153 to operate via the hospital;
- improved marketing and flag stop facilities.

3. Option B: Service Henley Hopper

3.1 This option has the town bus service routes operating all day, 07.00-19.00, 5 days a week. The town bus can be a bespoke Henley bus and given a name to help with marketing, such as the Henley Hopper. This option will have an impact on the school which will have to operate separately and this will affect the viability of both the school service and the town service. In several years, an electric operated service should be seriously investigated. Purchasing a bus would also assist with viability.

3.2 The estimated costs and income breakdown are shown on Tables 5 & 6, with costs of £120,000 per annum and initial year one income of £57,000. Note that this initial year income is less than for Option A as the school income is excluded.

Table 5: Option B: Cost Estimates

	Price	Quantity per day	Cost per day	Days per month	Per month	Per annum
Driver	£14.00	16	£224.00	21.67	£4,853.33	£58,240.00
Bus Cost	£0.83	210 km	£174.30	21.67	£3,776.50	£45,318.00
Sub total					£8,629.83	£103,558.00
New bus					£890.00	£10,680.00
Operator Profit	5%				£475.99	£5,711.90
Total					£9,995.83	£119,949.90

Table 6: Option B: Income Estimates

	Trips per day	Price	Per day	Per month	Per annum
Regular	14.5	1.5	£21.70	£452.03	£5,424.30
Concessionary	207.7	1	£207.70	£4,327.05	£51,924.60
		Total	£229.40	£4,779.08	£57,348.90
School weeks per year			39		
Effective weeks per year			50		20.8

1) 5 days of operation per week, effective weeks control for bank holidays and disruptions
2) Ridership is increased by 75% of the increase in hours - approximately 2.1 times increase

3.3 The income estimates have been increased from passengers 106 (existing town service) to 222 based on the extended periods of operation (14 hours of operation compared to 5), a new bus and marketing. As it becomes more established a 10% growth per annum is also applied until the service is estimated to break even, which means that about 300-400 passengers per day are going to be required. The purchase of the bus by the Council suggests breakeven at about 330 passengers per day and without the bus purchase 380 passengers. Note also that incomes could well increase from more peak hour fares which would be less concessionary.

3.4 The costs and income over the 12 years are shown on Table 7. It suggests that to break even a service needs to have an occupancy of 40% if the bus is provided by the Town Council.

Table 7: Option B: 12 Year Business Plan with Forecasts

Year	Occupancy	Trips	Costs	Income	Profits incl. new bus	Profits excl. new bus	S106 Contribution
2017/18	30.86%	222	£109,269.90	£57,348.90	N/A	-£51,921.00	
2018/19	33.94%	244	£109,269.90	£63,083.79	N/A	-£46,186.11	£17,000.00
2019/20	40.73%	293	£119,949.90	£75,700.55	-£44,249.35	-£33,569.35	£18,000.00
2020/21	44.80%	323	£119,949.90	£83,270.60	-£36,679.30	-£25,999.30	£18,000.00
2021/22	49.28%	355	£119,949.90	£91,597.66	-£28,352.24	-£17,672.24	£18,000.00
2022/23	54.21%	390	£119,949.90	£100,757.43	-£19,192.47	-£8,512.47	£18,000.00
2023/24	59.63%	429	£119,949.90	£110,833.17	-£9,116.73	£1,563.27	£18,000.00
2024/25	65.60%	472	£119,949.90	£121,916.49	£1,966.59	£12,646.59	£18,000.00
2025/26	65.60%	472	£119,949.90	£121,916.49	£1,966.59	£12,646.59	£0.00
2026/27	65.60%	472	£119,949.90	£121,916.49	£1,966.59	£12,646.59	£0.00
2027/28	65.60%	472	£119,949.90	£121,916.49	£1,966.59	£12,646.59	£0.00
2028/29	65.60%	472	£119,949.90	£121,916.49	£1,966.59	£12,646.59	£0.00

1) Occupancy based upon capacity of 60 trips per hour
2) School service income assumed constant

3.5 This would be an excellent service for the town. Sub options exist to reduce the operating costs such as reducing the length of day to a single driver shift of say 09.00-18.00, or a split shift option. Also, as with Option A, Carousel could start operating route 151 during the week, which is not recommended and the same issues as set out in paragraph 2.6 would apply.

3.6 While the service operates during the AM & PM peaks, it no longer has the cross subsidising effect on the school service. The school service 145C may no longer be viable. A broad estimate of an additional £15,000 income would be required, either from the school children fares or subsidy.

Table 8: Options A and B combined 12 year projection with new bus and service starting 2019/20

Year	Occupancy	Trips	Costs	Income	Profits incl. new bus	Profits excl. new bus	S106 Contribution
2017/18	33.58%	106	£93,981.90	£73,377.75	N/A	-£20,604.15	£0.00
2018/19	36.94%	116	£93,981.90	£76,108.65	N/A	-£17,873.25	£17,000.00
2019/20	40.73%	293	£119,949.90	£75,700.55	-£44,249.35	-£54,929.35	£18,000.00
2020/21	44.80%	323	£119,949.90	£83,270.60	-£36,679.30	-£47,359.30	£18,000.00
2021/22	49.28%	355	£119,949.90	£91,597.66	-£28,352.24	-£39,032.24	£18,000.00
2022/23	54.21%	390	£119,949.90	£100,757.43	-£19,192.47	-£29,872.47	£18,000.00
2023/24	59.63%	429	£119,949.90	£110,833.17	-£9,116.73	-£19,796.73	£18,000.00
2024/25	65.60%	472	£119,949.90	£121,916.49	£1,966.59	-£8,713.41	£18,000.00
2025/26	72.16%	520	£119,949.90	£134,108.14	£14,158.24	£3,478.24	£0.00
2026/27	72.16%	520	£119,949.90	£134,108.14	£14,158.24	£3,478.24	£0.00
2027/28	72.16%	520	£119,949.90	£134,108.14	£14,158.24	£3,478.24	£0.00
2028/29	72.16%	520	£119,949.90	£134,108.14	£14,158.24	£3,478.24	£0.00

1) In year 2019/20 passenger numbers increase by 2.1 times, which is 75% of the increase in hours of service.

3.7 Table 8 outlines a possible combination of Options A and B. It creates a 12 year projection to allow 2 years before a new bus is purchased and the new service comes into use. This indicates with this level of passenger growth that the service could be viable in a few years and the deficits could be partly covered by the S106 payments.

3.8 Note that in Table 8 it forecasts some large initial deficits of over £40,000 in years 2019/20, 2020/21, and 2021/22. Even with Section 106 contributions of £18,000, there are still deficits of at least £20,000 for 3 years. Efforts to increase patronage and other sources of income should be identified nearer the time.

3.9 In summary, if pursuing Option B, then the Council are recommended to:

- Implement a phased approach with Option A in the first 2 years and then progress to Option B when there is the back-up of the S106 payments as this will reduce risk to the Council in the early years;
- Meanwhile, look out for grants and to provide a replacement bus and this should ideally coincide with the start of the new Henley Hopper. This could also include a LPG/CNG bus type;
- Investigate the effects on the school service 145C;
- Investigate sponsorship and other sources of income;
- Improve marketing and flag stop facilities.

4. Option C: Henley Hopper + Rail Station

4.1 A more comprehensive level of service that operates from 7am to 7pm, one bus for a rail station focused service and another for the town services.

4.2 For the rail service element, it could work as a flexi-bus service that can collect people from their homes on the way to the railway station in the morning and drop them in the afternoon. To do this the service would need to have 2 buses running throughout the day. One will stick to serving the existing routes. The other will, for a few hours around the peak, change into a flexi-bus service that delivers people to and from the railway station.

4.3 The costs are shown on Table 9 and more expensive as there are two buses throughout the day totalling an estimated £240k per annum.

4.4 Income is estimated on Table 10. Notably, the regular town service numbers are far higher. This is because many passengers using the railway are also using the bus. This is estimated initially with 5% of rail passengers making use of this bus service.

Table 9: Option C: Cost Estimates

	Price	Quantity per day	Cost per day	Days per month	Per month	Per annum
Driver	£14.00	32	£448.00	21.67	£9,706.67	£116,480.00
Bus Cost	£1.66	210 km	£348.60	21.67	£7,553.00	£90,636.00
Sub total					£17,259.67	£207,116.00
New bus			Buses	2	£1,780.00	£21,360.00
Operator Profit	5%				£951.98	£11,423.80
Total					£19,991.65	£239,899.80

Table 10: Option C: Income Estimates

	Trips per day	Price	Per day	Per month	Per annum
Regular	104.76	1.5	£157.15	£3,273.90	£39,286.80
Concessionary	246.40	1	£246.40	£5,133.30	£61,599.60
		Total	£403.55	£8,407.20	£100,886.40
School weeks per year		39			
Effective weeks per year		50		20.8	

1) Initial passenger figures increase Option B's passenger numbers by 5% of the trips, on average, that pass through Henley Railway station (129.4 trips, 64.7 return passengers)

4.5 This also would affect the school service and a sub option would be to use the school service during school hours and the additional bus for the rail station.

4.6 Table 11 provides a projection for how 10% passenger growth would allow the service to break even by 2025/2226.

Table 11: Option C: 10 Year Business Plan with Forecasts

Year	Occupancy	Trips	Costs	Income	Profits incl. new bus	Profits excl. new bus	S106 Contribution
2017/18	19.51%	351	£218,539.80	£100,886.40	N/A	-£117,653.40	
2018/19	21.46%	386	£218,539.80	£110,975.04	N/A	-£107,564.76	£17,000.00
2019/20	25.75%	464	£239,899.80	£133,170.05	-£106,729.75	-£85,369.75	£18,000.00
2020/21	28.33%	510	£239,899.80	£146,487.05	-£93,412.75	-£72,052.75	£18,000.00
2021/22	31.16%	561	£239,899.80	£161,135.76	-£78,764.04	-£57,404.04	£18,000.00
2022/23	34.28%	617	£239,899.80	£177,249.33	-£62,650.47	-£41,290.47	£18,000.00
2023/24	37.70%	679	£239,899.80	£194,974.27	-£44,925.53	-£23,565.53	£18,000.00
2024/25	41.47%	747	£239,899.80	£214,471.69	-£25,428.11	-£4,068.11	£0.00
2025/26	45.62%	821	£239,899.80	£235,918.86	-£3,980.94	£17,379.06	£0.00
2026/27	50.18%	903	£239,899.80	£259,510.75	£19,610.95	£40,970.95	£0.00
2027/28	50.18%	903	£239,899.80	£259,510.75	£19,610.95	£40,970.95	£0.00
2028/29	50.18%	903	£239,899.80	£259,510.75	£19,610.95	£40,970.95	£0.00

1) Occupancy based upon capacity of 120 trips per hour

4.7 In summary, if the passenger forecasts could be achieved then this would provide a high level of public transport service to the town. However, at this stage this service cannot be recommended to the Council due to the high costs of service operations at over £200k per annum.

5. Supplementary Adds-Ons to Options

New Flag Stops

5.1 Updated bus flags and marketing. The existing flags are old and in poor repair, refreshing these and better advertising the service should draw greater ridership. The service currently operates a hale and rider service, it would therefore be helpful to have greater advertising along the route so people know when and where they can board the bus.

Marketing

5.2 There are also marketing opportunities and the key ones can be summarised as:

- Bus rebranding. A smarter, better maintained bus perhaps named as the 'Henley Hopper' or some other name could attract custom;
- Bus engine type. A gas and especially an electric bus would help with branding. The Council should look out for grant availability;
- Posters and local media exposure. Although the recent free trial, which was well advertised seemed to make a modest impact on passenger numbers;
- Flag stops as referred earlier in good condition, with up to date timetables assist with the message, as referred above;
- The Council and bus operator webs sites;
- Social media can also assist with informing people of the service.

5.3 Discounted fare structures for periods and at the start of services can also attract custom. Although as referred above the free trial week seemed to have some impact.

Sponsorship

5.4 Tesco, Henley Business School (The University of Reading) and other businesses should be approached for potential funding and sponsorship of bus operations. Henley Business School may also have a minibus link to the school that could be incorporated into flexible bus services for the town that would provide better transport to and from the train station.

Rugby Club Park & Ride

5.5 There is good case to encourage more use of the Rugby Club car park for park & ride facility. It has approximately 160 parking bays charged at £3.20 per day. Buses on routes X80, 80X, 800, and 850 regularly pass the rugby club so adding an extra stop should be possible. Buses run from 06:00 to 23:30, until around 20:30 buses run every 20 minutes, after which they are hourly. It could also be useful during the Regatta. A shuttle bus could be considered, but there is already a good frequency of services past the site. Bus stops, should be added outside club with a shelter on the town bound direction. The fare structure needs to be examined to reduce the cost and a maximum of £1.00 day return on any service and a reduced £2.00 parking charge for the rugby club. Also, different operators need to accept return trips from other operators.

Alternative fuels

5.6 The above projections have used diesel buses for the cost estimates. There are also two alternative options, Compressed Natural Gas (CNG)/ Liquid Petroleum Gas (LPG) and electric. Cost per month comparisons are set out below. A new diesel minibus can cost approximately £93,000.

5.7 CNG/LPG buses require a conversion, a bus manufacturer suggested that LPG buses cost approximately £20,000 to £30,000 more than a diesel bus. They use slightly more fuel per kilometre but the fuel itself is little over half the price. An CNG minibus version of the same diesel bus would be approximately £123,000. Reading Buses are the only operator in the area to offer this type of fuel.

5.8 Electric buses are an increasingly viable option. Electric buses' fuel is approximately 25% cheaper per kilometre. Maintenance for everything aside from consumables (e.g. tyres and brakes) is around 80% less. The main challenge with electric buses is the lack of range (currently) – with any current solution would require the bus to recharge half way through the day for one to two hours. An electric version of the same minibus as above is approximately £155,000.

Table 12: Costs by fuel type

	Fuel (p/km)	Maintenance (p/km)	Total cost (p/km)	Cost per day	Cost per month
Diesel – Midi-bus	19	64	83	£116.2	£2,420.83
Diesel – Minibus	9.5	64	73.5	£102.9	£2,143.75
Electric – Minibus	7.125	32	39.13	£54.775	£1,141.15
CNG – Midi-bus	15.2	64	79.2	£110.88	£2,310.00
CNG – Minibus	7.6	64	71.6	£100.24	£2,088.33

Community Transport Approach

5.9 Another approach for operating local bus services is a charitable status and/or community management of the service. In terms of reducing cost this would remove at least the operator profit and administration, there can be driver cost savings and marketing benefits. This has recently been set up in Witney by the West Oxfordshire Community Transport Ltd. And discussions with this group could be worth looking into. The main disadvantage with this approach is that it will require considerable input from Councillors and/or the community based group that manages it.

Routes review

5.10 At peak times the town has heavy traffic along the A4155, the lower part of Greys Road, and much of the rest of the centre of town. It could therefore be advantageous to combine some routes. Routes 151 and 154 could be combined to reduce the number of times the bus goes along Greys Road. After Greys Road the bus routes along Green Lane, following the rest of the 154 route. The other routes are more difficult to combine and would involve creating new routes. With the combined 151 & 154, this would also provide scope for minor changes to route 153 via the hospital and route 152 via the Tesco's car park.

5.11 Regularity of a bus service is important and it should be recognised that adjusting routes at peak times can be confusing. Any changes made for peak times should aim to be consistent throughout the day.

6. Summary & Conclusions

6.1 A study of the town bus operations has been carried out and a series of options identified for the future. A supplementary report called 'Review of Bus Services and Option Development' provides more detail and analysis of the main issues relating bus service changes. This includes detailed results of the on-bus survey, existing services, bus types, and financial contributions.

6.2 The key to understanding viable service changes was to survey existing usage. This identified a popular series of services operating during school hours, mainly for concessionary travellers with a journey purpose of shopping or social. There were a total of 82 passengers on the day with fares of £1.50 single, £2 return and a concessionary income to the operator of £1 each.

6.3 Three alternative bus service options have been identified as follows:

- Option A: Existing service retained and upgraded;
- Option B: Henley Hopper;
- Option C: Henley Hopper & Rail Station.

6.4 Option A, existing service retained and upgraded with a new bus and route 153 goes via the hospital. The forecasts suggest that if the bus is funded by the Council, then about 40 extra passengers are required to make the service viable (106 to 140). Without the bus funded this increases to about 80 extra trips (106 to 185). There is a good case for retaining this service as it functions efficiently for school transport in the morning and late afternoon. In between when the bus and driver are available, it provides a useful shopping and social access service mainly for concessionary fare paying passengers.

6.5 Option B, the Henley Hopper, has the town bus services operating all day, 07.00-19.00, 5 days a week. The town bus can be a bespoke Henley bus and given a name to help with marketing, such as the Henley Hopper. This would be an excellent service for the town. As it becomes more established a 10% growth per annum is also applied until the service is estimated to break even, which means that about 300-400 passengers are needed. The purchase of the bus by the Council identifies breakeven at about 330 passengers per day and without the bus purchase, 380 passengers.

6.6 Option B has many merits and is therefore the preferred approach. If adopted, a phased implementation is recommended with Option A in the first 2 years and then progress to Option B. By 2019/20 S106 payments should be available and this will help to reduce risk to the Council in the early years when substantial subsidies are forecast to be required. This will also allow time to carefully plan and refine the service and address:

- The provision of a new bus and this should ideally coincide with the start of the new Henley Hopper. This could also include a LPG/CNG or electric bus type;
- The effects on the school service 145C;
- Make contact with and make arrangements with potential sponsors;
- Set up improved marketing and flag stop facilities.

6.7 Option C, Henley Hopper & Rail Station is a more comprehensive level of service that operates from 7am to 7pm, one bus for a rail station focused service and another for the town services. The initial estimates of passengers are probably optimistic as it assumes that the bus will take

5% of the daily passengers to and from the train station. For this service to be viable there needs to be approximately 640 passengers (320 return trip passenger). If bus purchase costs are taken by the Council then approximately 580 passengers (290 return trip passengers) are needed to break even. While the most exciting of the options, this is not recommended to be pursued until Option B is operational and established.

6.8 Finally, a series of other improvements do also need to be implemented alongside the bus services. Advertising will have an effect and evidence suggests that the free week grew passenger numbers. Similarly, making the bus routes clearer to residents with improved flag stops will boost patronage.

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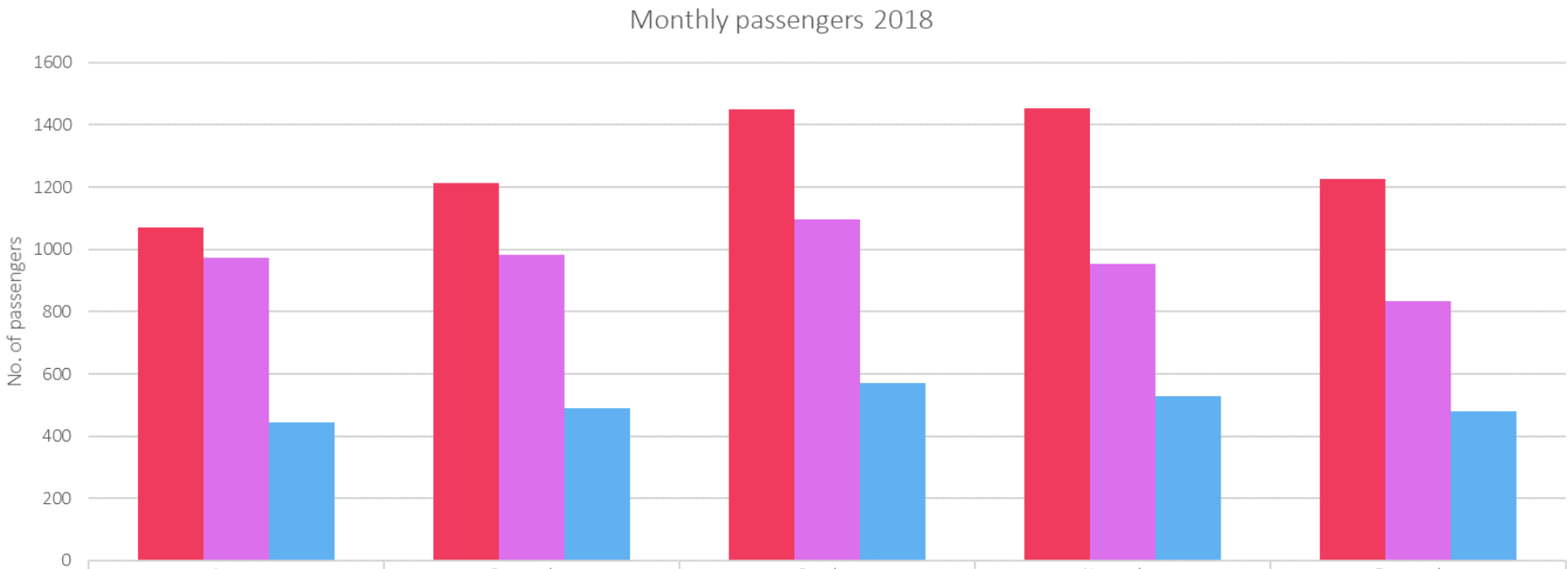
APPENDIX 3 – USAGE FIGURES

Monthly Passengers 2018



	August	September	October	November	Deceember
151	1069	1212	1451	1453	1225
152	972	984	1097	953	832
153	445	489	572	528	479

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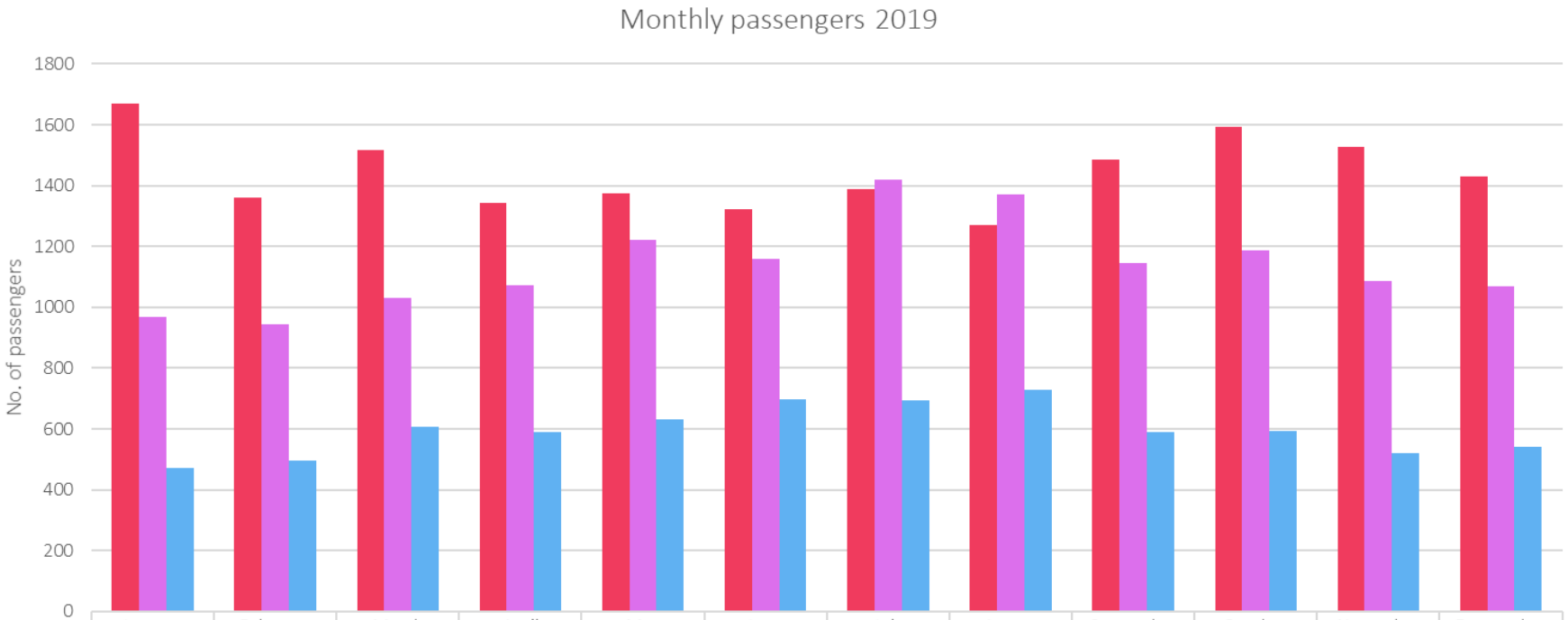
APPENDIX 3 – USAGE FIGURES

Monthly Passengers 2019

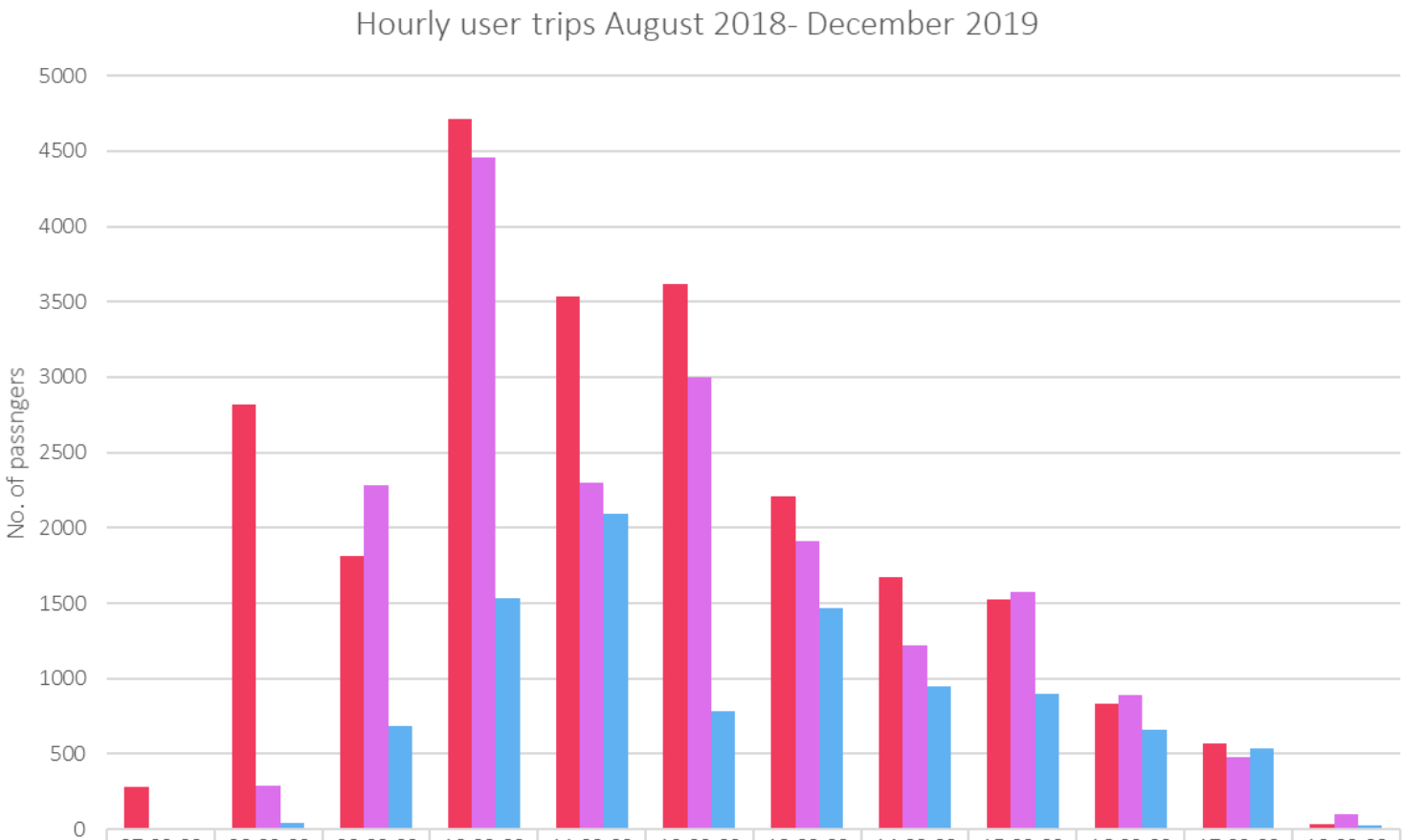


	January	February	March	April	May	June	July	August	September	October	November	Deceember
151	1669	1361	1518	1343	1375	1323	1388	1270	1484	1592	1528	1429
152	967	945	1031	1073	1223	1159	1421	1371	1145	1188	1085	1068
153	472	495	608	589	632	696	695	730	589	594	521	541

Henley-on-Thames Town Council

APPENDIX 3 – USAGE FIGURES

User Trips by Hour



	07:00:00	08:00:00	09:00:00	10:00:00	11:00:00	12:00:00	13:00:00	14:00:00	15:00:00	16:00:00	17:00:00	18:00:00
151	278	2818	1814	4710	3535	3617	2205	1676	1527	831	573	37
152		288	2280	4454	2300	3000	1910	1217	1571	893	482	103
153		40	686	1534	2093	781	1465	948	902	660	536	22