

Report No.	20-56
Decision Required	

FEILDING BUS SERVICE: MID-TERM REVIEW OUTCOMES AND RECOMMENDATIONS

1. PURPOSE

- 1.1. The purpose of this report is to advise the Committee of the recommended service changes arising from the Feilding Around Town/Feilding to Palmerston North bus service mid-term review and to recommend service changes to Council for approval and implementation.

2. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 20-56.
- b. approves the recommended service changes to the Feilding Around Town/Feilding to Palmerston North bus service set out in Section 8.2 of this report.
- c. approves the additional spend for implementation of the service changes outlined in this report, subject to Horizons Regional Council's Annual Plan process and New Zealand Transport Agency funding.
- d. agrees the Feilding Around Town/Feilding to Palmerston North bus service mid-term review is substantively complete and that only some operational matters remain outstanding.
- e. notes, subject to funding approval, officers will work to implement the service changes in the second half of 2020-21.

3. FINANCIAL IMPACT

- 3.1. The cost to undertake the mid-term review is being funded through Horizons' existing public transport budgets.
- 3.2. If the recommended mid-term review service changes are implemented prior to June 2021, the additional funding requirements for the service changes will be subject to the **Annual Plan (AP)**, and **National Land Transport Programme (NLTP)** budgeting procedures. The costs of the recommended improvements are outlined in Sections 8.3-8.19 of this item. Total costs of the recommended improvements package are \$72,580.00 (gross) for Financial Year 2020-21 and \$70,140.00 (gross) annually thereafter.
- 3.3. If the recommended mid-term review service changes are implemented after June 2021, any changes to the service will be subject to the **Long Term Plan (LTP)**, **Regional Land Transport Plan (RLTP)** and NLTP budgeting procedures. In the event that changes are postponed until year 1 of the 2021-22 LTP, introduction of minor improvements to the existing service is recommended. The changes include providing WiFi on the service and increased promotion of the current service. The inclusion of WiFi totals \$1,680.00 (gross) for Financial Year 2020-21 and \$1,440.00 (gross) annually thereafter. The cost of increased promotion of the current services will be managed through existing budget.
- 3.4. This report will not result in any financial impacts, other than allowing additional service changes to be incorporated into the relevant strategic funding documents.

4. COMMUNITY ENGAGEMENT

- 4.1. Consultation with key stakeholders and the Feilding, Bunnythorpe and Palmerston North communities was undertaken in March 2020. During this time stakeholders and the community were made aware of the mid-term review and asked to provide feedback on the options proposed.
- 4.2. Following Committee endorsement and Council approval, a media release will be scheduled to update the community on any changes to be made to the service and timeframes.
- 4.3. As part of the implementation planning a marketing and communication plan will also be developed. This will ensure that prior to any bus route or timetable changes taking place, information will be distributed ahead of time to the general public using a variety of information channels.

5. SIGNIFICANT BUSINESS RISK IMPACT

- 5.1. There is no significant business risk as a result of this item.

6. BACKGROUND

- 6.1. The Feilding Around Town/Feilding to Palmerston North bus service is identified in the **Regional Public Transport Plan (RPTP)** as a public transport unit that is integral to the Region's public transport network. The current contract is a nine year contract expiring in January 2025. All contracted public transport services in the Region are reviewed on a regular basis to ensure that they operate effectively and efficiently. Minor reviews may be undertaken at any time in response to new developments or other changes¹, while more in depth reviews are generally undertaken prior to seeking Council approval to retender a service.
- 6.2. Given the service has reached the middle of its nine year contract, a mid-term review has been undertaken. The review has focused on considering whether the current service is still fit for purpose and whether there are any opportunities for operational efficiencies or improvements to be made.

7. DISCUSSION

- 7.1. The mid-term review of the Feilding Around Town / Feilding to Palmerston North bus service commenced in May 2019 with the establishment of an Advisory Group consisting of elected officials from Manawatu District Council, Palmerston North City Council and Horizons Regional Council as well as council staff, a community representative and a NZ Transport Agency staff member. The Advisory Group met four times over the course of the mid-term review.
- 7.2. It was identified through the Advisory Group that the Feilding community needed better access to enable travel around Feilding in a timely manner without the possibility of having to catch the bus to Palmerston North and back to complete their journey. It was also identified there may be some improvements that could be made to the commuter service. As a result, a range of options were considered, with the Advisory Group determining that a Feilding only service should run separately to a commuter service between Feilding and Palmerston North. The Group selected three possible options with slightly different routes for an around Feilding service as well as possible Sunday and late night services and increased services on a Saturday for consultation.

¹ For example, the Ashhurst to Palmerston North trial service timetable was revised following community feedback and analysis of patronage.

19 May 2020

- 7.3. Targeted consultation was undertaken with key stakeholders and interested parties in the form of meetings, letters and emails. Consultation was also undertaken with the public via attendance at markets and rural games as well as provision of information on the buses, in bus shelters, at i-Sites and online. Consultation with the public ran over the course of four weeks starting on 2 March and ending 30 March 2020, with feedback collected via surveys. Over the consultation period, 61 surveys were received from the public and feedback from 6 key stakeholders and interested parties. While the number of responses is limited, the feedback provided from stakeholders and members of the public has been valuable in developing the proposed recommendations.
- 7.4. The key feedback received from consultation was:
- 7.4.1. A Feilding only service is supported.
 - 7.4.2. Of the options proposed, people preferred Option 2 for travelling around Feilding. This option being the one which provides the greatest coverage, but having the longest travel time, and greatest implementation and on-going costs.
 - 7.4.3. The least preferred option was Option 4 (status quo).
 - 7.4.4. Provision of Saturday services and late night services were supported but not overwhelmingly.
 - 7.4.5. Of those who requested increased Saturday services and late nights, most wanted to see these available on the commuter service.
- 7.5. Following consultation, the Advisory Group met again in April 2020 to discuss the findings from consultation and determine what changes (if any) should be recommended for consideration by the Passenger Transport Committee. The Advisory Group's recommendations and associated costs are discussed in the following section of this report.

8. RECOMMENDATIONS AND ASSOCIATED COSTS

- 8.1. In determining their recommendations, the Advisory Group considered factors such as current patronage, affordability, demand and sample size (of the survey respondents) to determine what would achieve the greatest return on further investment in respect of patronage uptake and fare box revenue.
- 8.2. Having considered these factors, the Advisory Group recommends the following changes to the Feilding Around Town/Feilding to Palmerston North service:
- 8.2.1. **Feilding town service:** that a Feilding around town service be implemented, separately to the commuter which follows the route described as **Option 2: Feilding town service with Lethbridge Street and Makino Road (shown below in Figure 1)**, subject to the following:
 - 8.2.1.1. That the route be trialed for 24 months;
 - 8.2.1.2. If uptake on Lethbridge St and Makino Rd section is low, then alter and move to the Option 1 route after 24 months; and
 - 8.2.1.3. Required supporting infrastructure, such as new bus stops, are installed.

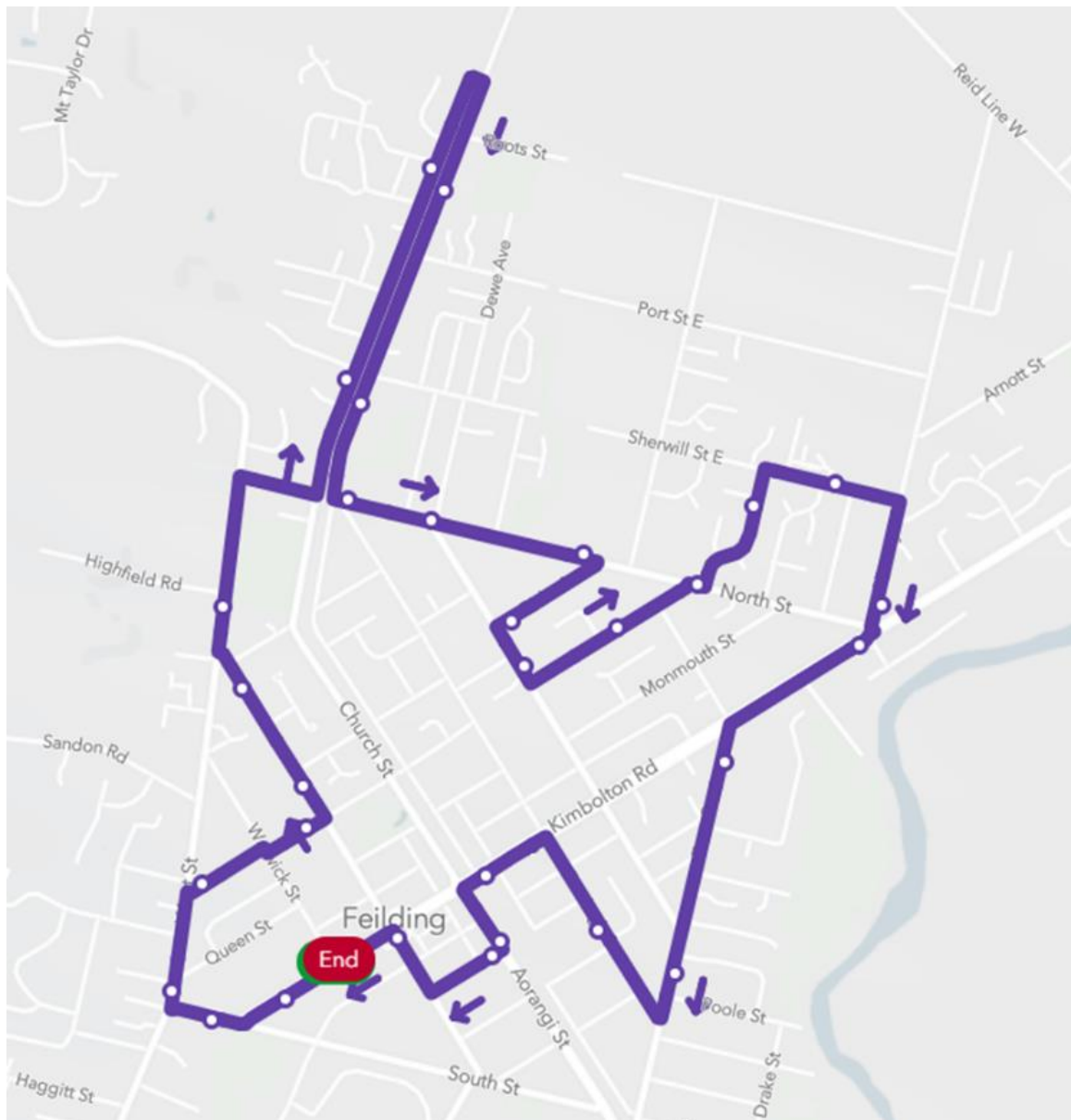


Figure 1: Feilding town service with Lethbridge Street and Makino Road route

- 8.2.2. **Commuter service:** that the following changes be made to improve the user experience of the service:
 - 8.2.2.1. Duke Street section of the route in Feilding be removed
 - 8.2.2.2. two additional Saturday services be provided
 - 8.2.2.3. Monday to Friday last service (6.00pm) from Palmerston North to Feilding be change to run slightly later in the evening
 - 8.2.2.4. WiFi (look at options for sponsorship) be provided; and
 - 8.2.2.5. timetable checked and adjusted where necessary to ensure it reflects actual travel times

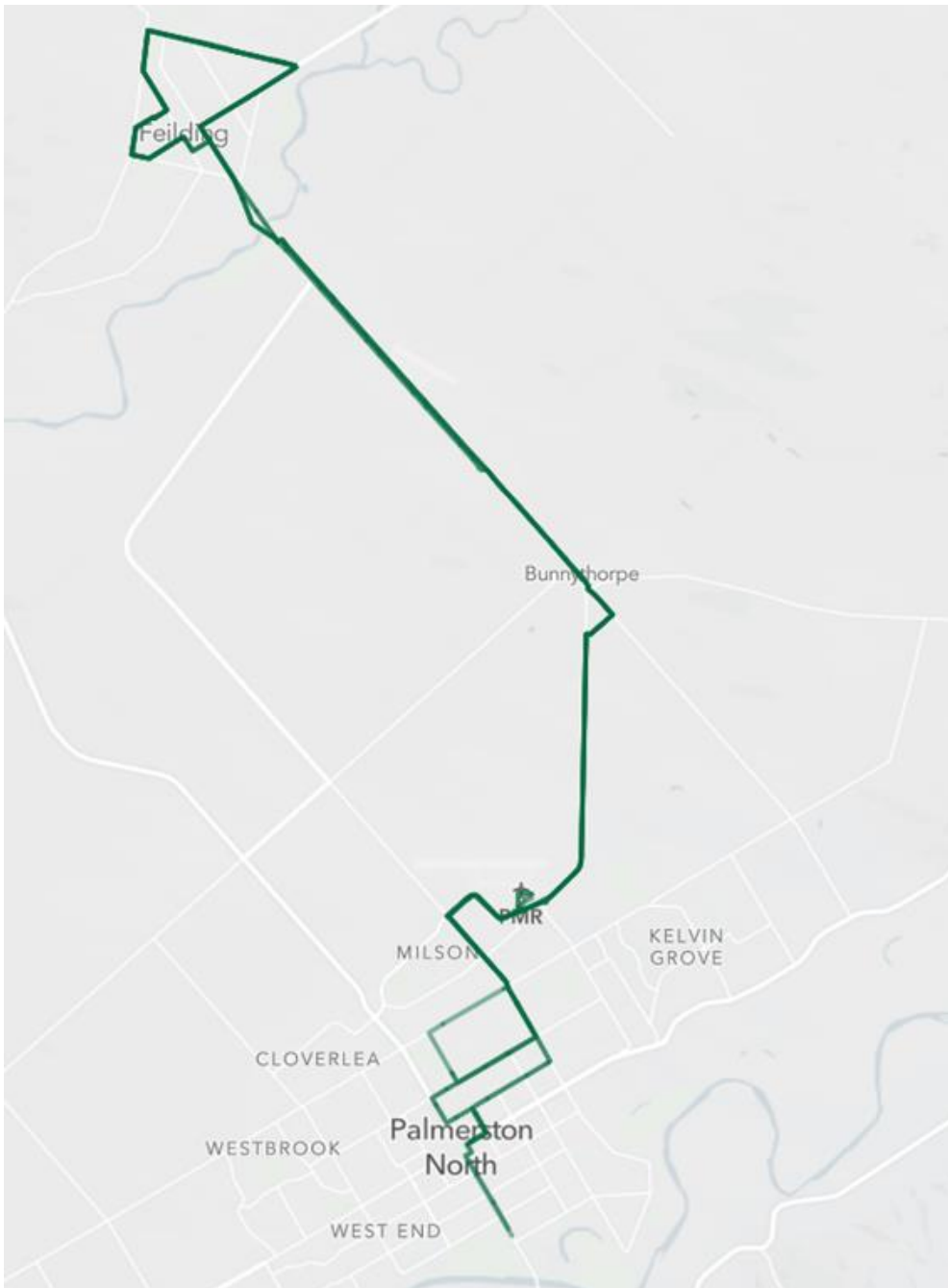


Figure 2: Feilding to Palmerston North commuter service route

- 8.2.3. **Both town and commuter services**, update timetable design to incorporate new changes and undertake promotion. In the absence of any changes, review timetable design to ensure it is adequate and increase promotion.
- 8.2.4. **Both town and commuter services:** That the proposed changes be implemented in the second half of the 2020-21 financial year, subject to funding.

Additional Cost

8.3. In order to implement the recommended service changes, listed in Section 8.2, additional costs will be incurred for both one-off set-up costs and ongoing operational costs. These costs are detailed in the table below.

19 May 2020

8.4. The costs in financial year 2020-21 assumes implementation of the changes occurs in March 2021. The costs in financial year 2021-22 represent the typical ongoing annual additional costs for the changes (excluding inflation).

	Financial year	
	2020/21 Annual Plan	2021/22 Long Term Plan
Feilding town service proposal		
Operating Gross Costs	\$20,700	\$62,100
Operating Net Costs	\$10,143	\$30,429
Infrastructure Gross Costs	\$48,000	-
Infrastructure Net Costs	\$23,520	-
Total Gross Cost	\$68,700	\$62,100
Feilding town Service Total Net Cost (rates impact)	\$33,663	\$30,429
Commuter service proposal		
Operating Gross Costs	\$2,200	\$6,600
Operating Net Costs	\$1,078	\$3,234
Infrastructure Gross Costs (WiFi)	\$1,680	\$1,440
Infrastructure Net Costs	\$823	\$706
Total Gross Cost	\$3,880	\$8,040
Commuter service Total Net Cost (rates impact)	\$1,901	\$3,940
Total Proposed Additional Costs (commuter and town)		
Operating Gross Costs	\$22,900	\$68,700
Operating Net Costs	\$11,221	\$33,663
Infrastructure Gross Costs	\$49,680	\$1,440
Infrastructure Net Costs	\$24,343	\$706
Total Gross Cost	\$72,580	\$70,140
Total Net Cost of recommended changes (rates impact)	\$35,564	\$34,369

Table 1: Additional costs to implement recommended mid-term review changes

Note:

Gross Costs mean costs **before** fares and NZTA subsidy have been deducted.

Net Costs mean costs **after** fares and NZTA subsidy have been deducted (ie. potential rates impact).

19 May 2020

- 8.5. The one-off additional infrastructure costs in financial year 2020-21 relate to:
- 8.5.1. installation of bus stops along the new sections of the **Feilding town service**; and
 - 8.5.2. set-up costs for installation of WiFi on the **commuter service**.
- 8.6. If after 24 months, uptake on the Lethbridge Street / Makino Road section of the **Feilding town services** is low, the route will be amended to remove this section. This would result in a reduction of approximately \$7,000.00 pa in net operating costs.
- 8.7. The financial savings created by removing the Duke Street section of the **commuter service** (approximately \$8,500.00 pa net costs) has helped to off-set some of the additional costs in providing two extra Saturday services.
- 8.8. Introduction of the above recommendations will be subject to funding and the approvals and implementation of supporting infrastructure.
- 8.9. The above timeline is based on funding for the changes being included in the 2020-21 Annual Plan and attracting funding through the NLTP. In the event that funding is not available in the coming financial year, the majority of changes will need to be pushed out to year 1 of the 2021 LTP.

9. NEXT STEPS

- 9.1. The Feilding bus service mid-term review has identified some areas where operational efficiencies can be gained and improvements made. Following multiple meetings and consideration of consultation findings, the Advisory Group has recommended a new town-only service be developed for the Feilding community and enhancements be made to the commuter service running between Palmerston North and Feilding. The final estimated costs associated with the recommended changes are presented in this item for consideration by the Committee for recommendation to Council.
- 9.2. Should the Committee adopt the recommendations presented in this item, funding will be sought via the Annual Plan and NLTP processes. Once funding is secured, planning for implementation of the changes will commence.
- 9.3. Following Committee endorsement and Council approval, Horizons officers will work on finalising timetable and bus stop changes in line with the recommended service changes set out in this report. Part of this work will include the development of an implementation. As part of the implementation planning a marketing and communication plan will also be developed. This will ensure that prior to any bus route or timetable changes taking place, information will be distributed ahead of time to the general public using a variety of information channels. Officers will continue to work with Manawatu District Council and Palmerston North City Council as well as the bus operator to finalise bus stop locations, as well as ensuring service changes are undertaken in the most efficient manner and with the least disruption as possible to customers.

9.4. The proposed timeline for implementation of the recommended service changes is detailed in the following table (Table 2)

Year	Month	Event/activity
2020	May	PTC meeting to determine if recommendations will be adopted
	June	Annual Plan adopted
	August	NLTP adopted
	September	Start conversations with Operator about amendments to contract and pricing. Discuss timing of implementing new services and operator requirements around staffing and fleet. Start conversations with MDC and PNCC about bus stop infrastructure and locations
	October	Finalise route design and bus stop locations Finalise timetable (in conjunction with operator)
	November	Start developing new timetable design and layout
	December	
2021	January	Prepare marketing and communications plan, and associated marketing collateral
	February	Promote upcoming changes to service Finish installation of new stops
	March	Implement changes / new services

Table 2: Proposed project timeline

10. SIGNIFICANCE

10.1. This is not a significant decision according to the Council’s Policy on Significance and Engagement.

Leana Shirley
SENIOR TRANSPORT PLANNER

Rhona Hewitt
MANAGER TRANSPORT SERVICES

ANNEXES

There are no attachments for this report.