

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member - Environment
Date:	9 March 2010
Title:	Award of Hart Call and Go Contracts
Reference:	1401
Report From:	Director of Environment

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1. Executive Summary

1.1. The purpose of this paper is to recommend the award of contracts for the services previously provided under the Hart Call and Go service following a recent procurement process.

1.2. This paper seeks to

- (i) outline the background to the procurement process;
- (ii) report on the proposals which have been received and consider the options for funding these; and
- (iii) recommend contract awards and other service arrangements.

2. Contextual information

2.1. The Hart Call and Go service was one of the services where the County Council was unable to award a contract following the original competitive tendering of community transport services in Hampshire. Following this a second negotiated procurement process was attempted but despite some initial interest no operators submitted proposals by the required date.

2.2. A third more informal process was then agreed. Expressions of interest were received from five operators and meetings took place with each of these to discuss their proposals for operating the service specifications prepared by the County Council. Following this three operators were invited back for more detailed negotiations.

2.3. The contract negotiations reflected the changes to the service which had previously been agreed with the Executive Member for Environment. In broad terms these changes:

- (i) focus the existing minibus on the Fleet and Church Crookham area, for a minimum of five days a week where a more flexible demand responsive service will be provided; and
- (ii) serve the majority of the rural areas through three semi-scheduled shopping trips.

3. Contract Results

3.1. Following the detailed negotiations with operators and the evaluation of the final proposals submitted it is proposed that the contracts detailed in the table below be awarded subject to the contract arrangements being agreed with the parish and town councils in Hart. Contracts awarded will be gross contracts and do not take into account fare revenue. Currently the bookings for the Hart Call and Go service are undertaken by the County Council's Travel Centre with operation of the vehicles being provided under contract by an operator. This will continue for shopping trips A and D whilst the bookings for the other shopping trips will be undertaken by the operator awarded the contract.

Service	Area served	Annual Contract Value
Shopping Trip A	Fleet, Church Crookham and Elvetham Heath	£32,835
Shopping Trip B	Crondall, Ewshott and Crookham Village	£10,710
Shopping Trip C	Hartley Whitney, Hook, Odiham. Dogmersfield and North Warnborough	£16,065
Shopping Trip D	Eversley and Yateley	£4,743
Total Gross Contract Cost		£64,353
Less Fare revenue		£15,166
Net Contract Cost to Hampshire County Council		£49,187

Together with the £3,618 vehicle replacement monies annually set aside for this service and a contribution of £10,261 to the County Council's Travel Centre for the booking arrangement for Shopping Trips A and D this would bring the total net operating cost of this service to £63,066.

4. Funding Arrangements

4.1. The service was previously jointly funded by the County and District Councils. Hart District Council passed its responsibility for funding the service to the Parish and Town Councils in Hart for this financial year although some of these Councils have chosen not to contribute towards the service, with the

County Council making good the shortfall for the period leading up to the new contracts.

- 4.2. The table below shows the funding requirements for the new contracts and includes the contributions which some Parish and Town Councils in Hart have initially agreed subject to them being content with the outcome of the procurement process. These contributions have yet to be confirmed. The funding figures are net of income.

Shopping Trip	Funding Required	Funding Provisionally Agreed	Difference between the required funding and funding provisionally agreed
A	35,870	35,870	0
B	9,724	6,448	-3,276
C	12,609	10,625	-1,984
D	4,863	2,930	-1,933
Overall Cost	63,066	55,873	-7193
Hampshire County Council Funding	32,605	32,605	0
Parishes Funding	30,461	24,340	-6,121

- 4.3. The table above shows that if the County Council retains its current funding support for these services then a shortfall of £6,121 exists. This is because a number of parishes have chosen not to pick up their element of the contribution previously made by the District Council and the contract price for some of the Shopping Trips is higher than was initially estimated.
- 4.4. A contract of up to three years is proposed for Shopping Trip A whilst contracts of up to one year are proposed for the remaining shopping trips. The proposed contract lengths reflect the level of financial commitment currently being offered by the respective parish and town councils.
- 4.5. The results of the procurement process and the contributions required are currently being discussed with the parish and town councils and an update of these discussions will be given at the meeting.

5. Service Levels

- 5.1. Those Councils which will be providing funding have suggested that there should be some difference in the service provided in their parishes from those where Councils are not supporting the service. A number of options have been considered and the preferred approach is to use different fare levels for users. This should help to maintain the goodwill and financial support of these parishes. It is proposed that the approach of introducing some form of fare differential be supported and that Officers be given the authority to negotiate

with the parishes an acceptable approach. Currently, users of Hart Call and Go also only pay half fare if they have a concessionary pass.

6. Promotion

- 6.1. Currently, the service is promoted under a district wide Call and Go umbrella. Under the new arrangements it is proposed to give the services a more local identity. For example, Shopping Trip D could either become the Eversley/Yateley Shopper or alternatively the Hart Link (serving Eversley and Yateley). The latter approach has more appeal where a group of parishes are being served. Giving the service a more local identity should make it easier to promote the service and encourage use. Promotion will be a key component in successfully implementing these service changes. A marketing plan will be developed in conjunction with the Parish and Town Councils and operators.

7. Contract Arrangements

- 7.1. The aim is to have the new contract arrangements in place by 1 April 2010 or as soon afterwards as possible. Where there is going to be a change of operator and booking arrangements then any changes need to be undertaken in a manner which maintains continuity for and reassures the existing users. The contract with the existing operator, Rushmoor Voluntary Services, runs until 31 March 2010. It is proposed that if the new arrangements cannot be put in place by 1 April 2010 that agreement be given for the award of an interim single tender contract for Rushmoor Voluntary Services until the new contracts are implemented.

8. Outline of Options

- 8.1. A decision needs to be made on what contracts should be awarded and the following options exist:
- 8.2. **Option 1:** Award contracts to operators based on the level of funding available for these services.
- 8.3. Risk Assessment: In order to accommodate the shortfall in funding some service levels will need to be reduced. In terms of Shopping Trip B and C then this may mean reducing the number of weekly trips from two to one and three to two respectively. Shopping Trip D will be more problematic as this only allows for one return trip each week and this may need to be reduced to bi-weekly. This will provide existing users with less journey opportunities than they currently have. There is also a risk that if service levels reduce then those parishes contributing may either wish to review or even withdraw their contributions.
- 8.4. **Option 2:** Award contracts to operators based on the County Council matching the level of funding provided by the Parish Councils.

- 8.5. Risk Assessment: This would reduce the service levels even further than under Option 2 and would probably result in Shopping Trip B moving to bi-weekly and Shopping Trip D to monthly. This would significantly reduce the number of journey opportunities which existing users have and because of this those parishes contributing may again either wish to review or withdraw their contributions.
- 8.6. **Option 3:** Award a contract for Shopping Trip A and convert the remaining Shopping Trips to Taxi Shares.
- 8.7. Risk Assessment: Previous tendering exercises in the areas would suggest that this option may be affordable within the funding currently allocated for these services. However, against this, taxis have a limited capacity and given the anticipated numbers on some shopping trips this option may only provide limited opportunities to grow the service. In addition to this not all of the taxis are accessible and where they are taxi operators will often charge a premium for transporting wheelchair passengers. The service redesign was initially agreed with parishes on the basis that these would be operated using minibuses for designated shopping trips. This found favour with the parishes given that the feedback which they have been receiving from people was that users have difficulty in accessing the existing service. Reducing the potential capacity on the Shopping Trips may not prove popular with some of the parishes and may put their contributions at risk. If numbers eventually required several runs by a taxi then the cost may be even higher.
- 8.8. **Option 4:** Award no contracts.
- 8.9. Risk Assessment: This would provide many people who rely on the current arrangements with no access to a number of services including retail. This would significantly worsen accessibility in this area of Hampshire.
- 8.10. **Option 5:** Award contracts to operators as set out in 3.1 of the report.

Risk Assessment: This would exceed the level of funding currently allocated for these services and may require the shortfall of £6,121 to be funded by the County Council if other sources of funding cannot be found. This liability may increase if some anticipated contributions from Parish Councils are not forthcoming.

9. Options Analysis/Comparison

- 9.1. The Hart Call and Go services have been radically redesigned and the new arrangements offer a more targeted approach to meeting needs. This represents a reduced but more focused service for many of the rural parishes. The redesign reflects feedback from users and many of the Parish and Town Councils themselves and seeks to address many of the issues associated with the current service. The Parish and Town Councils have been consulted on and supported the proposed changes.

- 9.2. Given this very different approach it is difficult to estimate what the usage might be for each of the new shopping trips. Whilst a reallocation of the journeys undertaken on the existing service across the new shopping trips has been undertaken the resulting picture is somewhat artificial because the new service will operate in a very different way to the existing service. In addition to this, local intelligence from the Parish and Town Councils would seem to suggest that in many cases they would expect the likely takeup of these services to be higher in their areas than on the existing service.
- 9.3. The new service options, though offering reduced travel options, are more focused and should allow the potential to carry more passengers and reduce the current cost per trip. The use of four separate routes also gives greater flexibility to expand or reduce journeys according to demand.
- 9.4. Option 5 is therefore seen as the preferred way forward, with the County Council providing if necessary the additional funding that will be required to support the service for a further year. This will provide the new service design with the maximum opportunity for success whilst also ensuring that the contributions which have previously been requested from the Parish and Town Councils are secured. It will also ensure a positive start to the new arrangements.
- 9.5. The lower levels of service and the alternative delivery modes presented by the other options may not fully command the financial support of all the Parish and Town Councils and may result in the new service arrangements being introduced in a more negative environment and this could disadvantage the launch of the new services.
- 9.6. The new service arrangements would be closely monitored on a monthly basis and a review of the service would be presented to the Executive Member for Environment after six months operation. An effective marketing campaign should ensure that patronage of these services is built and any resulting increase in fare revenue could help to cover the shortfall in costs identified and the success of the service used to attract contributions from non-participating parishes. If acceptable patronage and subsidy figures do not materialise then alternative options will be investigated and presented for the Executive Member for Environment to consider.

10. Recommendations

- 10.1. That contracts be awarded to operators for Shopping Trips A –D as set out in section 3.1. of this report, subject to the contract arrangements being agreed with the Parish and Town Councils in Hart.
- 10.2. That the approach of introducing some form of fare differential to be negotiated with the Parish and Town Councils in Hart, be agreed.
- 10.3. That each of the services be marketed in a way which promotes a local identity.

- 10.4. That the award of an interim single tender contract for Rushmoor Voluntary Services be agreed if needed, until the new contracts are implemented.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	no
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	no
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. The proposals in this report seek to improve accessibility for those members of the community who cannot use the existing public transport services.

2. Impact on Crime and Disorder:

- 2.1. The services will offer limited transport options for young people.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint/energy consumption?

Use of demand responsive transport reflects the needs of users and can reduce the need for individual car journeys.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Not Applicable.