

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member – Environment and Transport
Date:	17 January 2012
Title:	New Forest CANGO Contract Award
Reference:	3605
Report From:	Director of Economy, Transport and Environment

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1. Executive Summary

- 1.1. The purpose of the report is to detail the outcome of a tendering exercise for Cango services operating in the New Forest and to recommend the award of a new contract initially for a two year period with an option to extend up to six years.
- 1.2. Cango services use Council owned vehicles which were provided with the help of government capital funding. This source of funding is no longer available and this proposal allows for greater use of the operator's own vehicles in the future.
- 1.3. This contract award will ensure the continued provision of a transport service in all the existing areas to enable users to access a range of facilities with timetables in line with the current service provision. This service will also contribute to the Council's corporate aim of supporting quality of life and well being in Hampshire.
- 1.4. This paper seeks to
 - set out the background to the project;
 - consider the finance for the project and the impact on the budget; and
 - highlight the impact the project has made on the performance of the County Council.

2. Contextual information

- 2.1. New Forest Cango services have been tendered covering the areas between Lymington, Sway and New Milton.

2.2. For this service a number of options were tendered as set out in this section of the report. These included seeking prices from operators to provide the services using Hampshire County Council owned vehicles or with their own vehicles.

2.3. Three operators submitted tenders for a variety of options and these tenders have been scored on the basis of 80% price and 20% quality. The Cango services have been included in the Bus Subsidy Review and therefore the requirement to identify savings was taken into account when analysing the tender results and in making recommendations in this report. The proposed contract meets the required quality criteria and provides the same level of service.

2.4. Four options were tendered for :

- Option one – existing service
- Option two – later start time and later finish time than the current service
- Option three – later start time and earlier finish time than the current service
- Option four – reduction in service frequency during the day
- The results of the tender exercise are set out in the confidential Appendix.

2.5 It is proposed that option one, which is the existing service, be implemented as it will maintain the same level of service at a reduced cost.

3. Finance

3.1. Based on the operator using their own vehicle 100% of the time, which is the highest tender price, a cost reduction of 3.8% is still realised and the gross contract price is £90,300. Last year fare revenue of £19,000 was received against this contract and with the same level of service this amount is not expected to reduce.

4. Consultation.

4.1. The Cango services were included in the public consultation exercise which formed part of the Bus Subsidy Review which looked at the scope for reducing support for local bus services in order to meet budgetary pressures. The consultation period finished on 31 March 2011. As part of this consultation exercise:

- feedback has been sought from stakeholders through the passenger transport forums;
- information has been sent to district, parish and town councils;

- 5,000 leaflets have been distributed at bus stops and on buses to users; and
- an on-line form has been available through the website for the public to complete and return.

5. Recommendation

- 5.1 A two year contract for the New Forest Cango service be awarded to Wilts & Dorset Bus Company with an option to extend up to six years at a maximum annual gross cost of £90,300.

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 proposal in this report maintains accessibility for the widest section of the community.

2. Impact on Crime and Disorder:

- 2.1. Not applicable.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?
- Maintaining journey opportunities by bus will result in fewer journeys being made by private car.
 - Cango bus services only travel to rural communities when people have made a booking, cutting down on unnecessary mileage.
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?
- This decision will have a significant positive effect on sustainable transport provision.