

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Economy, Transport and Environment
<b>Date:</b>	10 December 2013
<b>Title:</b>	Award of Contract for a Bus Service between Hill Head and Fareham - Fareham and Gosport Area Bus Tender Area
<b>Reference:</b>	5413
<b>Report From:</b>	Director of Economy, Transport and Environment

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#### 1. Executive Summary

- 1.1. The purpose of this report is to detail the outcome of a tender to provide a bus service between Hill Head and Fareham under the Public Bus Dynamic Purchasing System. The resulting contract will be of up to 4 years duration with an option to extend for 2 further years in annual increments at an estimated value of £370,000 and £480,000 over the maximum 6 year term with the cost to be met from the public transport budget.
- 1.2. The report proposes to award a tender for a bus between Hill Head and Fareham, which would not otherwise be provided and to do so using the existing bus subsidy budget. This proposal will replace key elements of the 5A, 6 and 21 services following advice from the bus service provider, First, that they proposed to withdraw the 5A and 21 services, which would have left Hill Head without a bus service from January 2014. The proposed service supports access to work, education, retail, leisure and health for the widest section of the community, thereby supporting quality of life as well as achieving value for money.

#### 2. Contextual information

- 2.1. Tenders for the renewal of bus subsidy contracts for the Fareham and Gosport area from January 2014 were developed following public consultation, reference to the Equalities Impact Assessment, and discussions with the main local bus operator as to which services they would be providing from January on a commercial basis. The outcome of these tenders was brought to the Decision Day on 5 November 2013.
- 2.2. First had indicated that under its commercial service proposals, service 5A would no longer serve Hill Head or Stubbington but that service 21, which

would be provided entirely commercially in future, would continue to provide a link between Hill Head, Stubbington, Peel Common, Newgate Lane and Fareham.

- 2.3. Following publication of the November Decision Report, First advised that they would not be able to provide the 21 service without subsidy. The effect of this would have been to leave Hill Head without a bus service and to remove direct access to the Asda store for Stubbington residents.
- 2.4. A Single Tender approach had been proposed for Service 6: Fareham – Peel Common – Cherque Farm - Lee-on-Solent on Mondays to Saturdays and the decision was taken not to award this but to issue a new tender to incorporate this with the 5A and 6 due to the number of common areas served.
- 2.5. An electronic tender for the revised service was issued with a 7 day response time in accordance with current procurement legislation.

### **3. Finance**

- 3.1. The cost of the existing Monday to Saturday service 6 is £30,136 and for the Monday to Friday Service 21 is £28,522 per annum making a total of £58,658.
- 3.2. The proposed service 21, which will run on Monday to Saturday and will replace key elements of the 5A, 6 and 21, will cost £51,356 per annum
- 3.3. First had said that it intended to run the 21 without subsidy from January 2014. This had been identified as a budget saving. A single tender had been proposed for 6 at a cost of £32,000 which had been included in the proposed overall cost of the Fareham and Gosport tenders of £347,806.
- 3.4. The net effect of the proposed service 21 is to raise the total cost of the Fareham and Gosport tenders from January 2014 to £367,162.
- 3.5. This compares with a current cost to the bus subsidy budget of £384,531 and can therefore be accommodated within the existing public transport budget.

### **4. Performance**

- 4.1. Tenderers were provided with an outline specification of the service required allowing them to use their initiative to best meet passenger demand and fit around their own operating availability. Three operators responded and the tender from First, which added an extra afternoon peak journey, and could be met from the existing budget, achieved the best score.
- 4.2. The new service will provide a reduced daytime service of every 90 minutes compared to the current 60 minute service but will provide three 'peak' journey journeys between Hill Head and Fareham and will enable residents to access services in Stubbington, Lee on the Solent, Asda Newgate Lane and Fareham.
- 4.3. The new service has a longer route, including as it does sections of the 6 and 21. As a result, a 90 minute frequency is the maximum which can be provided with a single bus. A higher frequency would require a second

daytime bus which would lead to a significant increase in costs. Two buses are provided at peak times to ensure that the required number of commuter and college journeys is provided.

## **5. Consultation**

- 5.1 Councillor Wood responded that he was pleased with the new peak hour arrangements but disappointed with the off peak frequency and longer journey time.

## **6. Recommendations**

- 6.1. That approval be given to award a contract under the Public Bus Dynamic Purchasing System for a bus service between Hill Head and Fareham to commence on 26 January 2014, for an initial 4 year term with options to extend for 2 further years in annual increments, at an anticipated cost of £370,000 and £480,000 over the maximum 6 year term, with the cost met from the public transport budget.
- 6.2 That the Director of Economy, Transport and Environment be given delegated authority to agree any variations to the items approved referred to at paragraph 6.1 above, in consultation with the Executive Member for Economy, Transport and Environment.

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

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

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u> ___ Award of Contracts for Fareham and Gosport Area Bus Services	<u>Reference</u> 5148	<u>Date</u> 5 <sup>th</sup> November 2013
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>	<u>Date</u>	

**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.)

<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

- 1.1 The proposals in this report have been developed with due regard to the requirements of the Equality Act 2010, including the Public Sector Equality Duty and the Council's equality objectives. An assessment of the impacts in this service area can be found at <http://www3.hants.gov.uk/equality/equality-impact-assessments/cx-pu-eqimpact-envi.htm> under 'Safe and Efficient Transport Systems in Hampshire'

It is considered that the issues covered by this report will not have impacts requiring further specific actions by the Council above those already established in its existing policies and working procedures.

### **2. Impact on Crime and Disorder:**

- 2.1. It is considered that the decision will have no impact on crime and disorder.

### **3. Climate Change:**

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

Delivering an effective public transport system within available funding levels provides an alternative to the use of the private car.

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

An effective public transport alternative matches provision to need and minimises carbon emissions.