

**HAMPSHIRE COUNTY COUNCIL****Decision Report**

<b>Decision Maker:</b>	Executive Member for Environment and Transport
<b>Date:</b>	5 March 2013
<b>Title:</b>	Procurement of Hiltingbury Bus Service Contract
<b>Reference:</b>	4674
<b>Report From:</b>	Director of Economy, Transport and Environment

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## **1. Executive Summary**

- 1.1. The purpose of this paper is to seek approval to procure bus services between Hiltingbury and Chandlers Ford and between Valley Park and Toynbee School, Chandlers Ford, under the dynamic purchasing system.
- 1.2. The report proposes a plan of action to ensure that bus services for Hiltingbury continue to support access to work, education, retail and health for the widest section of the community, thereby supporting quality of life and well being while achieving value for money. The services provided will reflect the current financial situation and budget availability.
- 1.3. The proposed tender retains a level of service similar to that currently provided within the budget available.
- 1.4. The Bus Subsidy Review, approved at the Decision Day of 27 July 2011 and implemented in September and October 2011, retained subsidised bus service across Hampshire on an equitable basis, albeit to reduced timetables in line with lower funding levels available.
- 1.5. Following the withdrawal by Velvet of daytime journeys on their commercial C1/C2 routes serving Hiltingbury from 25 November 2012, an emergency contract was awarded to Xelabus until 25 May 2013 pending a consultation exercise and full tendering of the service. Information from the 2011 Bus Subsidy Review consultation and the new local consultation was used when prioritising the issues to be addressed, together with survey data and census and accessibility information. The Bus Subsidy Review included a detailed Equality Impact Assessment.
- 1.6. Awarding a tender for a new contract as proposed ensures vital transport links at a cost of £55,500 per annum. Of this, £46,500 relates to Hampshire County Council.

## **2. Contextual information**

- 2.1. The County Council's subsidised bus services in the Eastleigh area were retendered from 16 October 2011 to coincide with the Bus Subsidy Review. During the tender exercise, the Velvet bus company decided to run services C1/C2 Eastleigh – Velmore – Chandlers Ford – Hiltingbury without subsidy, Monday to Saturday daytime. An evening service is contracted on Thursdays and Fridays on behalf of Eastleigh Borough Council who provide the funding, while Eastleigh Borough Council fund and contract their own hourly service on Sundays.
- 2.2. From week commencing 25 November 2012, Xelabus introduced a competing commercial service X7 over the most well used section of route between Eastleigh, Velmore and Chandlers Ford. On learning of Xelabus's intentions, Velvet cancelled the registration of their daytime buses over the whole route of services C1/C2 from the same date.
- 2.3. These actions by the bus companies would have left residents in the Hiltingbury area without their only weekday daytime bus service. This prospect was met with concern by local bus users; representations were received from local members, Eastleigh Borough Council, Chandlers Ford Parish Council, Hiltingbury Residents Association, and a number of local residents. A public meeting was organised by the residents association on 7 November 2012 and attended by officers from Hampshire County Council and Eastleigh Borough Council.
- 2.4. Tenders were therefore sought and a six-month emergency contract for a replacement service awarded to Xelabus to ensure continuity of service from 25 November 2012 pending further surveys, consultation, and consideration of the funding implications. The replacement service, numbered C3/4, currently runs twice an hour between Hiltingbury and Chandlers Ford, connecting there hourly with the commercial Xelabus X7 service to Eastleigh, which is usually operated by the same bus as C3/C4, meaning that through passengers wishing to travel to/from Eastleigh can do so without changing bus.
- 2.5. Following the consideration of prices for an all day service between 0745 and 1745, and an off-peak service, a contribution from Eastleigh Borough Council was obtained, helping to ensure the provision of an all day service during the 6 month period of the emergency contract. The evening and Sunday buses contracted by Hampshire County Council and Eastleigh Borough Council have been retained in their current format during this period.
- 2.6. A consultation process was run between 17 December 2012 and 15 February 2013. This comprised an e-mail and questionnaire sent to local County Councillors, Eastleigh Borough Council, local parish councils, Hiltingbury Residents Association, and Three Rivers Rail Partnership. Paper copies of the questionnaire were issued to passengers by Hampshire County Council staff on several occasions in December 2012 and January 2013, and an on-line version was posted on the County Council's website, Hantsweb. A summary of the consultation responses is attached as Appendix C.

- 2.7. On-bus surveys were carried out on the emergency services C3/C4, to establish the numbers using each journey, together with data on origin and destination, journey purpose and ticket type.
- 2.8. Tenders have now been obtained for substantive contracts to run until the expiry date for Eastleigh area bus subsidy contracts, which is 18 October 2015 with options for extensions up to October 2017.
- 2.9. Options were tendered for a half hourly service running locally between Hiltingbury and Chandlers Ford only, and for an hourly service from Hiltingbury and Chandlers Ford continuing through to Eastleigh. In each case, prices were obtained for an all-day service between 0745 and 1745, and for an off-peak only service .
- 2.10. Shortly before tenders were invited, Xelabus gave notice to terminate their contract for subsidised Service 507 from 2 March 2013. Service 507 operates between Valley Park and Toynbee School, Chandlers Ford, providing travel for farepaying pupils. Additional tender options were therefore included to examine whether economies might be achieved by scheduling Service 507 alongside modified timetables for the C3/C4.

### **3. Finance**

- 3.1. Tender prices were obtained using the Public Bus Dynamic Purchasing System.
- 3.2. The proposed start date of the contract is 26 May 2013 for an initial period to 18 October 2015, with options to extend for 2 further years in annual increments.
- 3.3. The anticipated County Council spend over the initial term to October 2015 would be in the region of £112,000, with the cost being apportioned between Hampshire County Council and Eastleigh Borough Council. The equivalent value over the maximum term would be £210,000.
- 3.4. The cost of the current contracts for C3/C4 and 507 is £41,526 per annum, of which £32,526 is met by Hampshire County Council and £9,000 by Eastleigh Borough Council.
- 3.5. The proposed cost of the new tender is £55,500 per annum, of which £46,500 is met by Hampshire County Council and £9,000 by Eastleigh Borough Council.
- 3.6. The preferred tender option is to maintain the existing timetables for Service C34/C4 between Hiltingbury and Chandlers and Service 507 between Valley Park and Toynbee School, Chandlers Ford.
- 3.7. The proposed contracts would be funded as follows: Bus Subsidy Budget, £46,500 using headroom resulting from recent tendering efficiencies, Eastleigh Borough Council, £9,000

#### **4. Performance**

- 4.1. The proposed tender provides a service to the widest area within affordable budget levels. The tender offers generally the same level of service as is currently provided.
- 4.2. Surveys of the emergency services C3/C4 show an annual patronage of 30,836. The cost per passenger trip of the new contract for C3/C4 would be £1.46.

#### **5. Other key issues**

- 5.1. The award of this tender will enable continued provision of prioritised services which were identified in the 2011 Bus Subsidy Review consultation and endorsed by the local consultation for this tender.
- 5.2. Identifying tender costs from various operators and providing services only at core times has enabled key journey opportunities to be retained within the budget available.
- 5.3. Commercial bus services in the Eastleigh area are currently subject to some competition between operators, which may result in further operator-led changes in the future. The availability of through journeys from Hiltingbury to Eastleigh is dependent upon the continued operation of the commercial X7 service between Chandlers Ford and Eastleigh.

#### **6. Future direction**

- 6.1. The award of this tender represents the best means to meet the local communities' travel requirements in the current financial climate.

#### **7. Recommendation**

- 7.1. That approval be given to procure bus services between Hiltingbury and Chandlers Ford and between Valley Park and Toynee School, Chandlers Ford under the Dynamic Purchasing System. The resulting contracts will be of up to 4 years and 5 months duration with an estimated value of £250,000 of which £210,000 relates to Hampshire County Council.

**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>	<u>Reference</u>	<u>Date</u>
Executive Member – Environment and Transport Agenda item1: Bus Subsidy Review	2710	27 July 2011
Executive Member – Environment and Transport Public Bus Dynamic Purchasing System Contract	3894	8 May 2012
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>		<u>Date</u>
None		

**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 does what 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.