

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Environment and Transport
Date:	15 September 2016
Title:	Retendering of Public Bus Services Contracts in Blackwater Valley Area
Reference:	7736
Report From:	Director of Economy, Transport and Environment

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1. Executive Summary

- 1.1. The purpose of this paper is to detail the outcomes of tenders for the renewal of four year public bus services contracts in the Blackwater Valley area.
- 1.2. This paper proposes a plan of action to ensure that transport services 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.
- 1.3. The proposed tenders retain a similar pattern of service to that currently provided within the current budget, and take account of any known changes to the commercial network.
- 1.4. Awarding tenders for new contracts as proposed ensures vital transport links at a cost of £123,232 per annum from the bus subsidy budget, £86,251 from Childrens Services' Home to School Transport budget, £69,445 from Developers Contributions (Queensgate site) and £25,275 from Surrey County Council.

2. Contextual information

- 2.1. The Passenger Transport Review, approved at the Executive Member for Economy, Transport and Environment Decision Day of 27 October 2014 and implemented in January 2015, retained subsidised bus services across Hampshire on an equitable basis, albeit to reduced timetables in line with the lower funding levels available.

- 2.2. The present contracts for the 41/42, 7, 10/610 and 18 subsidised bus services in the Blackwater Valley area were re-negotiated as part of the 2014 Passenger Transport Review but expire on 29 October 2016, so are due for re-tendering.
- 2.3. Information from the Passenger Transport Review consultation was used to prioritise the main issues to be addressed in these tenders, together with survey data and census and accessibility information.
- 2.4. The tender awards outlined below represent the best means to meet the local communities' travel needs in the current financial climate. However, the costs of services 41/42 and 7 have significantly increased. It is therefore recommended that usage of these services is reviewed in 12 months for the 41/42 and 24 months for the 7 to assess if these services are being used sufficiently by the local community.

3. Overview of retendering

- 3.1. The present contracts for the subsidised bus services 41/42, 7, 10/610 and 18 were renegotiated as part of the 2014 Bus Service Review.
- 3.2. Since its purchase of Fleetbuzz in 2011, Stagecoach is the only operator of both commercial and contracted bus services in the Blackwater Valley.
- 3.3. Stagecoach was the only company to submit bids for these tenders.

4. Overview of procurement

- 4.1. The contracts have been procured using the Public Bus Dynamic Purchasing System and assessed 100% on price.
- 4.2. The start date of the Hampshire County Council funded Blackwater Valley area contracts is 30 October 2016 for an initial 4 years term with options to extend for 2 further years in annual increments.
- 4.3. The anticipated County Council spend of the 4 year term £1,704,548 of which £973,680 would be met from the bus subsidy budget, £351,988 from the home to school transport budget, £277,780 from Developers Contributions and £101,100 from Surrey County Council. The equivalent value over the maximum term is £2,556,822 of which £1,460,520 is met from the bus subsidy budget, £527,982 from the home to school transport budget, £416,670 from Developers Contributions and £151,650 from Surrey County Council.
- 4.4. Full financial figures can be reviewed in the attached appendix.

5. Finance

- 5.1. The full financial figures can be reviewed in the attached Appendix 1, but a summary is provided below.
- 5.2. The current cost of Blackwater Valley area services 41/42, 7, 10/610 and 18 is £271,055 which is made up of £123,232 from the bus subsidy budget, £86,251 from Children's Services Home to School Transport Budget, £36,297 from Developers Contributions and £25,275 from Surrey County Council.
- 5.3. The proposed cost of Blackwater Valley area services 41/42, 7, 10/610 and 18 is £243,420 per annum from the bus subsidy budget, £87,997 from Childrens Services' Home to School Transport budget, £69,445 from Developers Contributions (Queensgate site) and £25,275 from Surrey County Council.
- 5.4. The annual increase in costs for the above services of £155,082 is challenging and it will be important to assess whether the services are being sufficiently used by the local community.
- 5.5. The recommended tender options are as follows;

Service 41/42 between Queensgate, Farnborough and Ash awarded to the current route and timetable at £94,720 per annum;

Service 7 between Aldershot, Fleet and Reading awarded at the current route and timetable at £164,428 per annum;

Service 10/610 between Church Crookham, Fleet and Farnborough awarded at the current route and timetable at £40,281 per annum; and

Service 18 between Aldershot, Whitehill and Haslemere awarded at the current route and timetable at £126,708 per annum.

Tables of proposed expenditure are shown in the attached appendix.

6. Performance

- 6.1. The proposed tenders provide services to the areas specified at an increased cost of £155,082 per annum and offer the same level of service as is currently provided.
- 6.2. Prior to tenders being invited, services were surveyed to ensure that value for money criteria are being met. The options proposed meet value for money criteria and provides a service to the widest area within an affordable budget.

7. Other key issues

- 7.1. Renewal of these tenders will enable continued provision of prioritised services which were identified in the 2014 Passenger Transport Review consultation.

8. Consultation

- 8.1. This retendering was informed by the consultation carried out for the 2014 Passenger Transport Review. County Councillors, District Council liaison officers, and Parish Clerks in the areas affected were informed of the proposal to bring this report by e-mail on 29 June 2016.

9. Future direction

- 9.1. The award of these tenders represents the best means to meet the local communities' travel requirements in the current financial climate. However, the cost of services 41/42 and 7 has significantly increased as outlined in the appendix. It is recommended that usage of these services is reviewed in 12 months for the 41/42 and 24 months for the 7.

10. Recommendations

- 10.1. That approval be given to award the following public bus services contracts, under the Public Bus Dynamic Purchasing system, in the Blackwater Valley area to commence on 30 October 2016 for an initial 4 year term, with options to extend for 2 further years in annual increments;

Service 41/42 at £94,720 per annum;
Service 7 at £164,428 per annum;
Service 10/610 at £40,281 per annum; and
Service 18 at £126,708 per annum.

- 10.2. That the public bus contract for the 41/42 service is reviewed after 12 months from the contract start date to assess whether the service is being sufficiently used by the local community.

- 10.3. That the public bus contract for the 7 service is reviewed after 24 months from the contract start date to assess whether the service is being sufficiently used by the local community.

- 10.4. That the Director of Economy, Transport and Environment be authorised to agree variations to the items referred to in paragraph 10.1 above, in consultation with the Executive Member for Environment and Transport.

Rpt/7736/PS

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):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u> Executive Member for Economy, Transport and Environment: Passenger Transport Review and Hampshire Concessionary Travel Scheme 2015/16	<u>Reference</u> 6029	<u>Date</u> 27 October 2014
Direct links to specific legislation or Government Directives		
<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. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

A detailed consultation exercise was carried out ahead of the Passenger Transport Review 2014 (implemented from January 2015) together with a detailed Equalities Impact Assessment. The information from these has informed this retendering exercise. The proposed tender awards are to the existing routes and timetables and will continue to give access to employment, education, health, retail and leisure facilities for the widest section of the community while reflecting the current financial environment.

For these reasons it is considered the decision will have no impact other than to maintain the transport opportunities currently available.

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.