

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Environment and Transport
<b>Date:</b>	15 September 2016
<b>Title:</b>	Retendering of Public Bus Contracts in Eastleigh Area
<b>Reference:</b>	7688
<b>Report From:</b>	Director of Economy, Transport and Environment

**Contact name:** Colin Wright

**Tel:** 01962 846923

**Email:** colin.wright@hants.gov.uk

#### 1. Executive Summary

- 1.1. The purpose of this paper is to detail the outcomes of tenders for the renewal of a number of four year bus subsidy contracts in the Eastleigh 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 £219,267 per annum from the bus subsidy budget and £17,063 from Eastleigh Borough 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 subsidised bus services X6/X7, X9/X10, X15, X17 and E1/E2 in the Eastleigh 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.

### **3. Overview of re-tendering**

- 3.1. The present contracts for the subsidised bus services X6/X7, X9/X10, X15, X17 and E1/E2 commenced in October 2012. These contracts included enhancements to the X6/X7 service funded by Eastleigh Borough Council.
- 3.2. Eastleigh Borough Council until now has also funded enhancements to the X15 service by way of a separate contract direct with the bus operator. For the current procurement, Eastleigh has asked the County Council to procure these enhancements on its behalf as part of the wider re-tendering work in this area.
- 3.3. Eastleigh area tenders attract considerable interest as the area is well served by several bus operators, operating both commercial and contracted services. However, it should be noted that 2 independent bus operators who previously operated contracted services, Velvet and Brijan, have both ceased trading since tenders were last issued in 2012.
- 3.4. Service X6/X7 was tendered with 2 options offering different levels of service;
- Option 1 is to retain the current off peak service.
  - Option 2 is to retain the current timetable enhancements funded by Eastleigh Borough Council.
- 3.5. Service X15 was tendered with 4 options offering different levels of service;
- Option 1 is to retain the current 3 days a week, Monday/Wednesday/Friday service.
  - Option 2 is a Monday to Friday service which includes the Tuesday and Thursday currently funded by Eastleigh Borough Council.
  - Option 3 is the current full timetable which includes Hampshire County Councils funding of the Monday/Wednesday/Friday service, funding from Eastleigh Borough council for journeys on a Thursday and additional journeys operated on a commercial basis by the current operator
  - Option 4 is the current timetable plus an additional Monday to Friday afternoon journey.

Eastleigh Borough Council have confirmed its funding to enhance the X15 service to Option 4

- 3.6. Five operators submitted tenders and all tenders were the subject of at least one bid.

#### **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 Eastleigh 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 is £945,320 of which £877,068 would be met from the bus subsidy budget and £68,252 from Eastleigh Borough Council. The equivalent value over the maximum term is £1,417,980 of which £1,315,602 would be met from the bus subsidy budget and £102,378 from Eastleigh Borough 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 Eastleigh area services X6/X7, X9/X10, X15, X17 and E1/E2 is £250,141 which is made up of £244,325 from the bus subsidy budget, and £5,816 from Eastleigh Borough Council. Eastleigh Borough Council's funding included £2,606 relating to the X9/X10 service from a developer contribution which has now been fully utilised.
- 5.3. The proposed cost of the new Eastleigh area services X6/X7, X9/X10, X15, X17 and E1/E2 is £236,330, which is made up of £219,267 from the bus subsidy budget and £17,063 from Eastleigh Borough Council.
- 5.4. Eastleigh Borough Council previously financed the full cost of 'peak' journeys on the X6/X7 service, but due to increased costs for this timetable enhancement requested a contribution from Hampshire County Council. Due to the lower than expected tender values in the Eastleigh area, Hampshire County Council have been able to contribute to the 'peak' journeys at an additional cost of £4,772 above the £3,200 funding for the 'off peak' service.
- 5.5. The recommended tender options are as follows;
  - Service X6/X7 between Chandlers Ford and Hiltingbury awarded on option 2, at £12,800;
  - Service X9/X10 between Waltham Chase, Eastleigh and Bishops Waltham awarded to the existing route and timetable at £120,000;

- Service X15 between Hamble and Hedge End awarded on option 4 at £27,250;
- Service X17 between Bishops Waltham and Petersfield awarded to the existing route and timetable at £7,500; and
- Service E1/E2 between Eastleigh and Winchester awarded to the current route and timetable at £68,780.

Tables of proposed expenditure are shown in the attached appendix.

## **6. Performance**

- 6.1. The proposed tenders provide services to the areas specified within affordable budget levels 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 provide 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.
- 7.2. 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.

## **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. The proposals enable the County Council to maintain current levels of service in the areas affected at a lower cost, and thus represent increased value for money.
- 9.2. Due to the increased cost of the 'peak' journeys on the X6/X7 it is recommended that patronage levels are reviewed after 12 months from the start of the contract to assess whether the 'peak' journeys, jointly funded by

Hampshire County Council and Eastleigh Borough Council, are being sufficiently used by the local community.

## **10. Recommendations**

10.1. That approval be given to award the following public bus contracts, under the Public Bus Dynamic Purchasing system, in the Eastleigh 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 X6/X7 at £12,800 per annum;
- Service X9/X10 at £120,000 per annum;
- Service X15 at £27,250 per annum;
- Service X17 at £7,500 per annum; and
- Service E1/E2 at £68,780 per annum.

10.2. That the public bus contract for the X6/X7 service is reviewed after 12 months from the contract start date to assess whether the 'peak' journeys jointly funded by Hampshire County Council and Eastleigh Borough Council are being sufficiently used by the local community.

10.3. 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.

**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> 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
<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. 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.