

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member – Environment and Transport
Date:	11 September 2012
Title:	Re-tendering of Romsey, Totton and Waterside Area Bus Services
Reference:	4117
Report From:	Director of Economy, Transport and Environment

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1. Executive Summary

- 1.1. The purpose of this report is to detail the outcomes of tenders for the renewal of four year bus subsidy contracts in the Romsey, Totton and Waterside area. This includes inter urban and rural routes from and around Romsey to Eastleigh, Salisbury, Sherfield English, Braishfield, Lockerley, West Dean, Wellow and Nomansland, from Hythe, Marchwood and Cadnam to Totton and Southampton, local town services in Romsey, Hythe, Blackfield, Calshot and Totton and school services.
- 1.2. The report 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 whilst achieving value for money. The services provided will also reflect the current financial situation and reduced budget availability.
- 1.3. The proposed tenders retain a level of service similar to that currently provided within the budget currently provided.
- 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 services across Hampshire on an equitable basis, albeit to reduced timetables in line with the lower funding levels available.
- 1.5. The present contracts for subsidised bus services in the Romsey, Totton and Waterside area were renegotiated as part of the Bus Subsidy Review but now expire on 3 November 2012 and fall due for retendering. Information from the 2011 Bus Subsidy Review consultation was used when prioritising the main issues to be addressed together with comments received subsequent to the review and from local consultation on the retendering exercise, survey data

and census and accessibility information. The Bus Subsidy Review included a detailed Equality Impact Assessment.

- 1.6. Awarding tenders for new contracts as proposed ensures vital transport links at a cost of £588,425 per annum. Of this £451,828 is met from the public transport and Rural Bus Subsidy Grant (RBSG) budgets (of which £352,423 is funded by Hampshire County Council and £99,405 by contributions from Wiltshire Council and Totton and Eling Town Council) while £136,597 is funded from the Children's Services home to school transport budget.

2. Contextual information

- 2.1. The County Council's Contract Standing Orders (CSO 3) requires that 'The commencement of a procurement process for a Contract is subject to the prior approval of the relevant decision maker who has the authority to give such approval under the Constitution.' Approval to procure for framework agreements and dynamic purchasing systems and approval to procure and spend for contracts is required by the Executive Member where they have a value, or estimated value, in excess of £1 million or are less than that but are significant in terms of the local authority's budget for the service or function to which the decision relates.
- 2.2 Framework agreements and dynamic purchasing systems are not linked to specific one-off purchases or projects but provide for the ongoing routine goods and services requirements of a large number of individual budget holders, either through direct call-offs or mini-competitions as required by each framework agreement or dynamic purchasing system. Therefore, the framework agreement/dynamic purchasing system values are only estimates and actual expenditure will be determined by the actual commitments made by budget holders. Framework agreements and dynamic purchasing systems therefore only require approval to procure and not approval to spend. However approval to procure and spend will be required in relation to each separate contract called-off under the framework/dynamic purchasing system given that those contracts will include contractual obligations in relation to payment for services/goods/works. Approval for these individual 'call-off' contracts will be sought from the Executive Member where the value, or estimated value, of the individual contracts exceeds £1 million. Likewise, approval to procure and spend is required from the Executive Member in relation to any other contracts in excess of £1 million which are to be procured individually and have not been called-off under a framework agreement.
- 2.3 A dynamic purchasing system is similar to a framework agreement except that new suppliers may join, whereas a framework is closed to new suppliers. Where the dynamic nature of the supply market means that without new suppliers there is insufficient competition to derive best value, dynamic purchasing systems are a more appropriate procurement solution than a framework. Dynamic purchasing systems are compliant with European Procurement Regulations and County Council Contract Standing Orders.

- 2.4 Approval is obtained prior to advertising a contract since the advert, at which point tender documentation is published, is the point of commitment to the process and visibility to the supply market. The tender documentation sets out the specification of the service and evaluation scoring scheme and the evaluation must be conducted strictly in accordance with the published scoring scheme. There is therefore no discretion at the award stage as to how to award the contract or any scope to change the service specification. The approval encompasses all aspects of the procurement process including the award stage.
- 2.5 If there are variations to the items approved then decisions on these will be taken by the Director of Economy, Transport and Environment in consultation with the Executive Member. Revised approvals may be required due to amendment of the estimated values, new partners joining framework agreements, dynamic purchasing systems or contracts or a more appropriate procurement approach being developed as the requirements for operation of, and participation in, the contract have been clarified.

3. Overview of re-tendering

- 3.1. Tenders were invited for the existing pattern of services as informed by the outcome of the 2011 Bus Subsidy Review. Alternative options were invited on certain services as detailed below.
- 3.2. To ensure that value for money is achieved and outcomes of the Bus Subsidy review are maintained, some tenders included the carriage of pupils attending Romsey School and Awbridge Primary School whose travel is currently covered by separate home to school transport contracts which will now be terminated. This has increased the value of the tenders sought compared to the last retendering of this group of services, but the cost of home to school travel is clearly identified within each tender bid and will continue to be funded from Children's Services budgets with no impact on the bus subsidy budget.
- 3.3. Four operators submitted tenders and all tenders were the subject of at least one bid. One service, the 8, is to be commercially operated and a tender will now be awarded only in respect of the school journeys.
- 3.4. A Single Tender approach has been proposed for peak hour Service 9 journeys between Calshot and Fawley, as extensions to commercial journeys provided by Bluestar between Fawley and Southampton.

4. Overview of procurement item

- 4.1. The contracts have been procured using the Public Bus Dynamic Purchasing System.
- 4.2. The start date of the contract is 4 November 2012 for an initial 4 year term with options to extend for 2 further years in annual increments.

- 4.3. The anticipated County Council spend over the 4 year term is in the region of £2.4 million, with the cost being apportioned between the Economy, Transport and Environment Department, Children's Services, Wiltshire Council and Totton and Eling Town Council. The equivalent value over the maximum term is £3.5 million.

5. Finance

- 5.1. The current cost of bus services is £703,823 per annum and is made up of £587,884 from the bus subsidy and RBSG budgets combined (of which £414,778 is met by Hampshire County Council and £173,106 by contributions from Wiltshire Council and Totton and Eling Town Council) and £115,939 from the home to school transport budget.
- 5.2. The proposed cost of the new tenders is £588,425 per annum and is made up of £451,828 from the bus subsidy and RBSG budgets combined (of which £352,423 is met by Hampshire County Council and £99,405 by contributions from Wiltshire Council and Totton and Eling Town Council) and £136,597 from the home to school transport budget.
- 5.3. Additional journeys funded by or provided on behalf of Wiltshire Council and Totton and Eling Town Council would be reviewed if that funding ceased.
- 5.4. The preferred tender options are as follows and are based on the existing routes and timetables unless otherwise specified:

Romsey area

Service 5: Eastleigh – Romsey – West Wellow: early morning and afternoon journeys on Mondays to Fridays to be awarded to the existing operator Solent Blue Line, trading as Bluestar, at £19,500.

Service 5: Eastleigh – Romsey: all Saturday journeys to be awarded to the existing operator Solent Blue Line Ltd, trading as Bluestar, at £3,000.

Service X7: Southampton – West Wellow – Salisbury: Certain journeys on Mondays to Saturdays to be awarded to the existing operator Wilts & Dorset at £81,700 of which £60,213 is funded by Wiltshire Council.

Service 34: Romsey – Sherfield English – Salisbury: Shoppers journeys on Mondays to Saturdays and schoolday journeys to be awarded to the existing operator Wilts & Dorset at £60,200 of which £22,488 is funded by Wiltshire Council and £25,400 by the Home to School budget for the transport of entitled pupils at Romsey School.

Service 35: Romsey – Halterworth – Braishfield – Ampfield: Shoppers journeys on Mondays to Saturdays and schoolday journeys to be awarded to the existing operator Wilts & Dorset at £37,500 of which £30,000 is funded by the Home to School budget for the transport of entitled pupils at Romsey School.

Service 36: West Dean/Lockerley – Romsey: Shoppers journeys on Tuesdays, Thursdays and Saturdays and schoolday journeys, currently operated by Wilts & Dorset, to be awarded to Stagecoach at £102,072 of which £81,197 by the Home to School budget for the transport of entitled pupils at Romsey School and Awbridge Primary School.

Service 37: West Dean/Lockerley – Salisbury: To be tendered by Wiltshire Council with an estimated contribution to that authority of £13,500. This amount will be confirmed once the tender results are known in October 2012.

Service 39: Nomansland – Wellow – Romsey: Shoppers journeys on Mondays, Wednesdays and Fridays to be awarded to the existing operator Wilts & Dorset at £17,000 of which £4,520 is funded by Wiltshire Council.

Totton and Waterside area

Service 8: Hythe – Marchwood – Southampton: Hourly service, Mondays to Saturdays. After tenders were received, First advised its intention to operate an hourly commercial service on Monday to Saturday with the addition of Sunday journeys. This does not include the additional school journeys for which a new tender will be issued.

Service 9: Calshot – Fawley, comprising peak hour journeys Mondays to Fridays, to be awarded on a Single Tender basis under deminimis legislation to the existing operator Solent Blue Line, trading as Bluestar at £13,500 to operate as extensions to commercial journeys operated by the same company between Fawley and Southampton.

Services 10/11: West Totton – Cadnam: Hourly service (two-hourly via Woodlands, two-hourly via Winsor), Mondays to Saturdays to be awarded to the existing operator Solent Blue Line, trading as Bluestar at £65,300.

Services H1/H2: Hythe local and H3 Hythe – Blackfield – Calshot: Mondays to Fridays shoppers' services, existing operator Solent Blue Line, trading as Bluestar, to be awarded to First at £64,464.

Services T1/T2: Totton local Mondays to Fridays shoppers' services: to be awarded to the existing operator Solent Blue Line, trading as Bluestar at £27,900 of which £12,184 is met by Totton and Eling Town Council.

Services H5/F1: West Totton and Totton to Foxhills Infant and Junior and Hounslowdown Schools: to be awarded to the existing operator First at £42,389. These are services for fare-paying pupils who are not statutorily entitled to travelling assistance and the cost is met from the local bus budget.

Services A1/W1/N1: Netley View to Wildground Infant and Junior Schools and Hythe Ferry to Noadswood School: currently operated by First to be awarded to Solent Blue Line, trading as Bluestar at £40,400. These are services for fare-paying pupils who are not statutorily entitled to travelling assistance and the cost is met from the local bus budget.

6. Performance

- 6.1. The proposed tenders provide services to the widest area within affordable budget levels. The tenders offer generally the same level of service as is currently provided.
- 6.2. As most timetables changed in October 2011 there has not been time to monitor patronage prior to the re-tendering exercise. However, services will be monitored and value for money checked after a suitable bedding-in period.

7. Other key issues

- 7.1. Renewal of these tenders will enable continued provision of prioritised services which were identified in the 2011 Bus Subsidy 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.
- 7.3. The increased competition for this tender round and subsequent commercial registration of one service can be viewed as an encouraging sign of greater commercial activity in the Romsey, Totton and Waterside area. However it must be noted that in the face of such activity, Bluestar and Wilts & Dorset may review the level of commercial service currently operated in these areas. This may impact on the preferred tender options listed in 5.4.

8. Consultation

- 8.1. Details of the service being retendered were sent to local County Councillors, District Council liaison officer and Parish Clerks for the area and the surrounding area affected by the services being retendered, on 14 May 2012.
- 8.2. Responses received during the Bus Subsidy review undertaken between February and May 2011 were taken into account, together with comments received subsequent to the review. These include comments received at the Test Valley Passenger Transport Forum on 15 May 2012, the New Forest Passenger Transport Forum on 18 July 2012 and the Marchwood Bus Focus Group on 17 May 2012.

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.

10. Recommendations

- 10.1. That approval to award be given for bus subsidy contracts for Romsey, Totton and Waterside. The contracts have been procured under the Public Bus Dynamic Purchasing System.

- 10.2. The start date of the contracts is 4 November 2012 for an initial 4 year term with options to extend for 2 further years in annual increments.
- 10.3. The anticipated County Council spend over the 4 year term is in the order of £2.4 million, and £3.5 million over the maximum 6 year term with the cost being apportioned between the Economy, Transport and Environment Department, Children's Services Wiltshire Council and Totton and Eling Town Council.
- 10.4. That, if there are variations to the items required, then decisions on these will be taken by the Director of Economy, Transport and Environment in consultation with the Executive Member for Environment and Transport.

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 – Environment and Transport Agenda item 1: Bus Subsidy Review	<u>Reference</u> 2710	<u>Date</u> 27 July 2011
Executive Member – Environment and Transport Public Bus Dynamic Purchasing System Contract	3894	8 May 2012
Direct links to specific legislation or Government Directives		
<u>Title</u> None		<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 was undertaken as part of the Bus Subsidy Review in July 2011. No adverse impact was identified in terms of race, creed or gender.

<http://hantsfile.it2000.hants.gov.uk/LinkViewer/LinkViewer.aspx?PIDv1=91%203%20ICM8%20ICMNL%20SDB10%20DOC%5FBIN%5F0160%2026%20A1001001A12A09B04427D1384018%20A12A09B04427D138402%20114%201177>

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:

- a) 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.

- b) 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.