

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member – Environment and Transport
Date:	6 March 2012
Title:	Retendering of Local Bus Services – Winchester area
Reference:	3657
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 Winchester tendering area, which includes Winchester city routes, inter urban and rural routes to Alresford, Petersfield, East Stratton, Owslebury, Valley Park, North Baddesley and Southampton General Hospital, and school services.
- 1.2. The Bus Subsidy Review, approved at the Decision Day on 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.
- 1.3. The present contracts for subsidised bus services in the Winchester area were renegotiated as part of the Bus Subsidy review, but now fall due for re-tendering in 2012. Contracts are due to expire on 31 March 2012, but are being extended to 9 June 2012 to accommodate retendering following the review process.
- 1.4. 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.
- 1.5. 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, survey data and census and accessibility information. The Bus Subsidy Review included a detailed Equality Impact Assessment.

- 1.6. The retendering programme follows the revised procurement guidelines. Tenders were evaluated on the basis of 80% price and 20% quality.
- 1.7. Awarding tenders for new contracts as proposed ensures vital transport links at a cost of £277,753 per annum. Of this £50,780 is funded from the Children's Services home to school transport budget, leaving £226,973 to be met from the public transport and Rural Bus Subsidy Grant (RBSG) budgets.

2. Contextual information

- 2.1. 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 where it was thought that further efficiencies might be possible while retaining a continued service provision and maintaining value for money criteria.
- 2.2. Service 46, now running between Winchester and Southampton General Hospital, and part of Service 67 from Winchester to Petersfield are funded by RBSG. The timetables for both services and the route of Service 46 were reduced under the Bus Subsidy Review, following the cut in RBSG from Government.
- 2.3. At the request of the Winchester Town Forum, speculative tenders were also invited to establish the cost of several options for late night bus services in the Winchester city area. This was with a view to introducing at least partial replacements for journeys withdrawn under the Bus Subsidy Review, but would be dependent upon the availability of external funding.
- 2.4. Five operators submitted tenders and all tenders were the subject of at least one bid.
- 2.5. A Single Tender approach has been proposed for Mervyn's Coaches Services 95/96, covering two journeys per day on two days a week, to ensure co-ordination with the commercial timetable provided by that operator on other days and at other times of the day.

3. Finance

- 3.1. The current cost of bus services is £387,176 and is made up of £316,391 from the bus subsidy and RBSG budgets combined, and £70,785 from the home to school transport budget.
- 3.2. The proposed cost of the new tenders is £277,753, which is made up of £226,973 from the bus subsidy and RBSG budgets combined, and £50,780 from the home to school transport budget.
- 3.3. Some tender prices submitted show increases above the rate of inflation. However the competition received for the tenders helped offset cost pressures and would see some services being awarded to new operators,

thereby retaining the same level of service within existing budgets, while allowing a margin to accommodate future changes.

3.4. The preferred tender options are as follows and are based on the existing routes and timetables unless otherwise specified:

Services 1, 3, 5, The Spring: Winchester city services: Monday to Saturday early evening journeys to be awarded to the existing and daytime operator Stagecoach at £23,106.

Services 2 and 6A: Oliver's Battery/Hyde – Winchester: Mondays to Fridays, currently operated by Velvet, to be awarded to Stagecoach at £24,697.

Service 4: Schoolday journeys between Owslebury and Westgate School, currently operated by Stagecoach, to be awarded to Xelabus at £9,700 which is met from the Home to School Transport budget for the transport of entitled pupils at Westgate School. This price is dependent upon the award of Service 63 to Xelabus.

The contracted seating capacity has been revised to better meet current requirements in light of experience since the present timetable was introduced in October 2011, while shorter journey times are now envisaged as this service will no longer be linked to Stagecoach Service 4 from Highcliffe. A change of service number will be considered, to avoid possible confusion with the Stagecoach service.

Service 46: Winchester – Hiltingbury – Valley Park – North Baddesley – Southampton General Hospital: Monday to Friday service, currently operated by Stagecoach, to be awarded to Velvet at £38,800. It is envisaged that certain journeys would continue to be provided commercially by Stagecoach during term time but Stagecoach's intentions will only be known once tender awards are confirmed.

Service 63: Owslebury – Compton Street – Winchester: Monday to Friday shoppers' service comprising one journey in each direction, currently operated by Stagecoach, to be awarded to Xelabus at £16,900. The timetable has been modified in response to feedback since the Bus Subsidy Review, to provide more convenient times for passengers while in Winchester and an earlier departure on the return journey, similar to the pre-October 2011 times.

Service 67: Winchester – New Alresford – Petersfield: Mondays to Saturdays, currently operated by Stagecoach, to be awarded to Velvet at £148,800, of which £41,080 is to be met from the Home to School budget for the transport of entitled pupils at Perins and Petersfield Schools.

Services 95/96, East Stratton – Winchester: Comprising one peak journey each way on Tuesdays and Thursdays, to be awarded on a Single Tender basis under de-minimis legislation to Mervyn's Coaches at £15,750 to

maintain integration with commercial journeys provided by the same operator at these and off-peak times on Mondays, Wednesdays and Fridays.

- 3.5. Timetables established in the 2011 Bus Subsidy Review will be retained. Competition will allow new four year tenders to be let within the existing budget. Competition will mean that some journeys are provided by different operators.
- 3.6. Where there is a change in the contractor for subsidised services, this may result in changes to the surrounding commercial network. There may also be some issues relating to the acceptance of different operators' tickets on common sections of route, which are beyond the jurisdiction of the County Council. These would be most likely to occur on Services 46 and 67 which would transfer from Stagecoach to Velvet.
- 3.7. As the existing predominant operator of commercial and subsidised services in the area, Stagecoach offer a range of tickets giving unlimited travel in defined areas, from one day to a year in duration, branded Dayrider and Megarider. However there is no requirement for Velvet, or any other operator, to accept these Stagecoach tickets and passengers would have to pay Velvet the appropriate fare to use their services. Velvet are expected to offer their own range of tickets for their services.
- 3.8. The Solent Travelcard multi-operator ticket may provide a suitable alternative to Megarider for some passengers on Service 46 between Winchester and Southampton General Hospital, including onward travel by other services to and from Southampton City Centre. Service 67 between Winchester and Petersfield operates mostly outside of the area covered by the Solent Travelcard but is a largely self-contained route.
- 3.9. Certain peak time journeys on Service 46 would continue to be provided commercially by Stagecoach on college days. Both Services 46 and 67 also serve some points that are common with other commercial services provided by Stagecoach. The conditions of contract would oblige Velvet to accept Stagecoach day return tickets between points served by both companies' services.
- 3.10. However there is no such obligation on Stagecoach to accept day return tickets issued by another operator on its own commercial services. Bus companies are generally wary of entering into agreement over the acceptance of one another's tickets owing to current competition legislation.
- 3.11. Concessionary Travel pass holders would be unaffected by any changes in operator as the new contractors Velvet and Xelabus participate in the County Council's concessionary fares scheme.
- 3.12. At the request of the Winchester Town Forum, options were also invited for additional late evening journeys on Winchester city services; these would at least in part provide replacements for journeys withdrawn under the Bus

Subsidy Review. A number of timetable and pricing options are available, ranging from £5,977 to £13,822 for a Thursday to Saturday service and £13,119 to £29,076 for a Monday to Saturday service.

- 3.13. Discussions are continuing as to the availability of external funding that might allow the introduction of such journeys and, if applicable, the days of operation and timetable option preferred. However, it is proposed that Hampshire County Council should not fund the re-introduction of journeys on these routes at these times in view of the need to maintain consistency with the review outcomes in other areas.

4. Performance

- 4.1. 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.
- 4.2. 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.

5. Other key issues

- 5.1. Renewal of these tenders will enable continued provision of prioritised services which were identified in the 2011 Bus Subsidy Review consultation.
- 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. The increased competition for this tender round can be viewed as an encouraging sign of greater competition in the Winchester area. However, it must be noted that due to a decline in market share, Stagecoach may review the level of commercial service currently operated in the Winchester area.

6. Consultation

- 6.1. Details of the services being retendered were sent to local County Councillors, District Council liaison officers and Parish Clerks for the area and the surrounding area affected by the services being tendered in January 2012. Local County Councillors were also sent a summary of the proposed tender awards outlined in 3.4 on 8 February 2012.
- 6.2. In response to this:

Councillor Collin, on behalf of Winchester Town Forum and in his capacity as a Winchester City Councillor, expressed interest in further dialogue with officers regarding the options available under the speculative tender for late evening journeys in the city, should external funding be confirmed.

Cllr Mason expressed his appreciation for the adjustments made to scholars' and shoppers' journeys between Owslebury and Winchester.

Cllr Porter was disappointed that it was not possible to consider an extension to Service 6A for Headbourne Worthy. Response: funding an enhancement could not be justified against the background of the Bus Subsidy Review and commercial services nearby.

Councillor Porter commented on gaps in the timetable for Service 67 following the Bus Subsidy Review and the lack of buses in the Sun Lane area of Alresford following the commercial withdrawal of Stagecoach Service 64. Response: the present timetable remains the best that could be achieved under the review, with key journey times designed around main commuter and scholars and student travel flows. It remains unclear at this stage as to whether the schedule of Service 67 could accommodate a diversion within Alresford, but this would be explored with Velvet once contracts were let.

- 6.3. Responses received during the Bus Subsidy review undertaken between February and May 2011 were also taken into account, together with comments received subsequent to the review, including those made at the Winchester Passenger Transport Forum on 9 November 2011 and the Winchester Town Forum committee meeting on 23 November 2011, which was attended by officers.

7. Future direction

- 7.1. The award of these tenders represents the best means to meet the local communities' prioritisation of travel requirements in the current financial climate.
- 7.2. If external funding is found, it may be possible to award a tender for later evening journeys on services within the city for the duration of that funding.

8. Recommendations

- 8.1. That approval be given to award tenders for new local four year bus subsidy contracts for Winchester at a total cost of £277,753 per annum, of which £50,780 is met from the Home to School Transport budget.
- 8.2. That the Director of Economy, Transport and Environment be given delegated authority, in consultation with the Executive Member for Environment and Transport, to carry out all the necessary steps to implement additional late evening journeys in Winchester, should external funding be confirmed by Winchester Town Forum.

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
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. A detailed Equalities Impact assessment was undertaken as part of the Bus Subsidy Review in July 2011. No adverse impact was identified in terms of race, creed or gender.

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 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.