

EXECUTIVE DECISION DAY NOTICE

Executive Lead Member for Universal Services Decision Day &
Executive Member for Countryside and Regulatory Services
Decision Day

Date and Time Monday, 11th March, 2024 at 2.00 pm

Place Remote Decision Day - Remote

Enquiries to members.services@hants.gov.uk

Carolyn Williamson FCPFA
Chief Executive
The Castle, Winchester SO23 8UJ

FILMING AND BROADCAST NOTIFICATION

This decision day is being held remotely and will be recorded and broadcast live via the County Council's website.

AGENDA

Executive Lead Member for Universal Services

Deputations

To receive any deputations notified under Standing Order 12.

NON KEY DECISIONS (NON-EXEMPT/NON-CONFIDENTIAL)

1. WASTE DISPOSAL CONTRACT 2030 AND OPTIONS APPRAISAL
(Pages 3 - 18)

To consider a report of the Director of Universal Services regarding a proposal for a project appraisal process during 2024 to inform the procurement of the Waste Disposal Service Contract post 2030.

2. BUS PROMOTIONAL MARKETING AND FARES INITIATIVES (Pages 19 - 30)

To consider a report of the Director of Universal Services seeking approval to spend a portion of the County Council's allocation of BSIP+ funding on measures to promote Hampshire's bus network, encourage more people to travel by bus and incentivise those people who do not travel by bus to try public transport.

Executive Member for Countryside and Regulatory Services

Deputations

To receive any deputations notified under Standing Order 12.

NON KEY DECISIONS (NON-EXEMPT/NON-CONFIDENTIAL)

3. PROSTATE CANCER UK CAMPAIGN - BOYS NEED BINS CAMPAIGN (Pages 31 - 36)

To consider a report of the Director of Universal Services regarding the provision of sanitary bins in male toilets in Hampshire County Council buildings, in support of Prostate Cancer UK's 'Boys Need Bins' campaign.

4. BASINGSTOKE CANAL (Pages 37 - 50)

To consider a report of the Director of Universal Services regarding proposed changes to the governance and operation of the Basingstoke Canal Authority – which acts as a delivery agent for the management of the Basingstoke Canal on behalf of Hampshire County Council.

ABOUT THIS SESSION:

The press and public are welcome to observe the public sessions of the decision day via the webcast.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Universal Services
Date:	11 March 2024
Title:	Waste Disposal Contract 2030 and Options Appraisal
Report From:	Director of Universal Services

Contact name: Sam Horne

Email: sam.horne@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to present a joint report on behalf of Hampshire County Council, Portsmouth City Council and Southampton City Council outlining a proposal for a project appraisal process during 2024 to inform the procurement of the Waste Disposal Service Contract (WDSC) post 2030.

Recommendation

2. That the Executive Lead Member for Universal Services notes the contents and recommendations of the appended report and approves the following recommendations regarding a project appraisal in 2024 to inform the procurement of the Waste Disposal Service Contract (WDSC) post 2030:
 - a) Approve the proposed programme of work and governance arrangements
 - b) Give authority to the Assistant Director for Waste and Environmental Services, through their role on the Strategic Tripartite Board, within the approvals set out below to progress the options appraisal work, including procurement of external contractors and expenditure.
 - c) Approve in principle the proposed programme budget of £1.236million up to the financial year 2030/31.
 - d) Approve and commit to supporting the resource requirements to deliver the programme within the budget.
 - e) Approve the spend of £331,100 in 2024/25 on the options appraisal as detailed in the report.
 - f) Delegate authority to the Director of Universal Services, in consultation with the Head of Legal Services, to approve any minor amendments that may be required to the Tripartite Agreement to support this programme.

Executive Summary

3. The appended paper seeks to

- set out the background to the project
- summarise the joint matters and recommendations pertaining to the appended report from the County Council and its Unitary partners
- consider and recommend support for the financial implications that the project will have on the County Council
- highlight the importance of the WDSC for the County Council in respect of discharging its statutory waste duties

Contextual information

4. Hampshire County Council is a signatory to the joint Waste Disposal Service Contract (WDSC) with Portsmouth City Council and Southampton City Council. The Contract commenced on 1 January 1997 and covers the disposal of all household waste collected across the geographical area of Hampshire.
5. The WDSC is a long-term contract which is due to expire on 31 December 2030. Given the complexity and value of the Contract (current annual spend around £54 million per annum for Hampshire County Council), and its strategic importance in respect of the County Council's statutory obligations, it is prudent to begin planning for the next iteration of the Contract beyond 2030.
6. Following initial discussions between the County Council and its Tripartite partners, a proposal has been developed to conduct a major project appraisal during 2024 to determine and evaluate the viable options available to the three authorities and to help inform the next stage of the procurement to ensure a suitable and cost effective contract is in place beyond 2030. The project appraisal proposal is outlined in detail in the appended report (Appendix 1), which is written jointly on behalf of all three authorities.
7. The recommendations in this paper are expanded slightly from those in the jointly written report to make them specific to Hampshire County Council and enable its budgets and governance requirements to be approved by the Executive Lead Member for Universal Services.

Finance

8. The WDSC is one of the major service contracts that the County Council holds, both in terms of cost and its relevance to its statutory waste obligations. The total annual cost is around £70 million, of which Hampshire County Council is responsible for 77% under the Tripartite agreement.
9. To undertake a comprehensive appraisal of the options available to the three authorities post contract expiry in 2030, it will be important to provide sufficient budget to facilitate this process and inform the next steps for the procurement. As outlined in the appended report (see Appendix 1), it is estimated that a total programme budget of up to £1.6 million may be required, of which again the County Council would be liable for 77% of the incurred costs (around £1.2m). This will be funded from the existing Waste Disposal budget using the additional income received from energy generation at the Energy from Waste Facilities.
10. This report is seeking approval to spend £331,100 on the initial options appraisal and infrastructure assessment.

11. The outcome of the options appraisal will determine the complexity of any subsequent procurement and therefore will impact the estimated budget costs beyond 2026 as set out in the appended report. These will be updated once the options appraisal is complete.

Consultation and Equalities

12. This is a joint programme of work with Portsmouth and Southampton City Councils and therefore the County Council will consult with them on this work. The outputs of the options appraisal will be subject to a future formal decision with the associated consultation where required.
13. It is considered that this decision will not have an impact on any of the groups with protected characteristics as this decision relates to undertaking an options appraisal. The outcome of this work will be subject to a separate formal decision process with due consideration given to the impact any arrangement may have from an equalities perspective when it comes to service delivery.

Climate Change Impact Assessments

14. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.
15. The carbon mitigation and climate change adaptation tools were not applicable because this programme of work is to undertake an options appraisal to determine the optimal approach for discharging our statutory duties as a Waste Disposal Authority. One of the key metrics that will be used to assess the options will be the extent to which they will facilitate the best environmental outcomes including, but not limited to, carbon reduction and climate resilience.

Conclusions

16. This programme of work is a critical one for the County Council due to the financial and reputational risks associated with the waste disposal service.
17. Undertaking this work will ensure that the County Council is best placed to continue to deliver its statutory duties when the current arrangements come to an end in 2030.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes/no
People in Hampshire live safe, healthy and independent lives:	yes/no
People in Hampshire enjoy a rich and diverse environment:	yes/no
People in Hampshire enjoy being part of strong, inclusive communities:	yes/no

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.)

Document

Location

None

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- 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.

2. Equalities Impact Assessment:

It is considered that this decision will not have an impact on any of the groups with protected characteristics as this decision relates to undertaking an options appraisal. The outcome of this work will be subject to a separate formal decision process with due consideration given to the impact any arrangement may have from an equalities perspective when it comes to service delivery.

Title	Waste Disposal Contract 2030 + Options Appraisal
Date	11 March 2024

Executive Summary

This report has been written jointly by the Tripartite Authorities of Hampshire County Council, Portsmouth City Council and Southampton City Council (from this point forward, known as the 'Parties').

This report sets out the proposed programme of work required to complete an options appraisal to determine the optimal approach for delivering the Parties' statutory duties for waste disposal beyond the expiry of the current shared arrangements post December 2030.

As one of the most significant statutory areas of delivery and spend for the Parties, and also an area that carries both significant risk and opportunity, it is critically important that this process commences early to allow sufficient time to assess and develop the options available.

The report sets out the work programme, the resources, and the funding necessary to complete this work as well as the rationale for it.

This report is being considered separately by each of the Parties via their appropriate decision making process to ensure full support for the proposed programme.

Decisions required

For all Parties (Hampshire County Council, Portsmouth City Council and Southampton City Council) to each:

- Approve the proposed programme and governance arrangements to jointly undertake the initial project appraisal to inform and direct the arrangements for managing waste disposal beyond expiry of the current contract after December 2030
- Give authority to the Strategic Tripartite Board to deliver the options appraisal work set out in this report, within the scope of the below approvals, including procurement of external contractors and expenditure
- Approve and commit to supporting the resource requirements to deliver the programme
- Approve in principle the proposed programme budget
- Approve the procurement of external expertise and resources to provide the necessary technical input to the options appraisal

- approve any minor amendments that may be required to the Tripartite Agreement to support this programme.

Context

The current Waste Disposal Service Contract (WDSC) was signed in the mid 1990s and commenced on 1 January 1997. The WDSC specified that all household waste collected across Hampshire (including Portsmouth and Southampton) would be in scope for handling and processing, and as such a suite of infrastructure was planned and developed to support this process. This included provision of two Materials Recovery Facilities (MRFs), three Energy Recovery Facilities (ERFs), three open air windrow composting facilities¹, supported by 11 waste transfer stations to facilitate bulking and haulage.

A significant high tonnage of waste is handled annually requiring recycling or safe disposal in line with environmental legislation. Disposal costs incurred are shared proportionally with Hampshire County Council responsible for 77% and Portsmouth and Southampton responsible for 11.52% and 11.48% respectively. In 2022/23 this amounted to a total cost burden of around £75m.

One of the key benefits of the original WDSC was the regional approach, and economies of scale from all three disposal authorities working in partnership. This enabled more efficient location of infrastructure that complemented the main conurbations in the county, achieving better value for haulage and opportunities for processing outlets through incorporating household waste from across the three areas. This also ensured greater resilience and stability than many other authorities have experienced by having a suite of facilities available to manage periods of outage or maintenance, as opposed to each Party having to rely on a single facility each. This is particularly important with such a high tonnage of material managed across the entire geographical county area and increasing complexity arising from legislative changes over time.

A separate contract is in place for managing the 26 Household Waste Recycling Centres (HWRCs) provided by Hampshire, Portsmouth and Southampton respectively. This contract is also due to expire on 31 December 2030 and has clear synergies with the WDSC. Opportunities for integration of the WDSC and HWRC contracts will be a line of enquiry for the proposed appraisal.

Programme proposal

The programme of work set out in this paper is to develop and assess a series of options for what arrangements will be most beneficial to the Parties in terms of the waste disposal arrangements from December 2030 when the current WDSC comes to an end.

¹ One composting site subsequently closed in 2010.

Whilst the contract still has almost seven years to run it is important that sufficient time is set aside to both prepare for and undertake any procurement activity that is required. As set out above this is one of the most significant areas of spend for the authorities and is also an area that carries both significant risk and opportunity hence the importance of this programme of work.

Options:

The Parties met to discuss and agree a list of strategic options which are set out below:

Contract Extension – potential to extend the existing Waste Disposal Service Contract with Veolia for a further period of time. The contract extension option is being assessed separately to this options analysis with a view to a separate formal decision in due course but is included here to demonstrate that all options are being considered. A delay on progressing with the options appraisal whilst the work on a possible contract extension is completed would risk the options analysis having to be rushed and therefore not be as robust should the contract extension option not be taken further.

In House Delivery – this option would involve the Parties directly taking on service delivery and taking full control of all of the infrastructure and involve the TUPE of staff from the current contract. The Parties would then have to put in place the necessary structures to be able to manage the service, while this option would likely still see discrete elements of the service delivery being contracted out to third parties due to its specialist nature.

Contracted Service – fully integrated – this option would involve entering into one single fully integrated contract for all elements of the domestic waste disposal service. This would be broadly the same as the current arrangements although potentially the HWRC service could also be included so that the entire waste service comes under one contractual arrangement.

Contracted Service – lotted contracts – this option would involve separating the service into different elements or alternatively by set geographic regions or a combination of these. It would result in there be a number of smaller contracts in place to manage service delivery and require the interface between those contracts to be managed closely to ensure the service delivery was effective and efficient.

Alternative Delivery Model – this option will consider a range of different potential vehicles for delivering waste services. A reasonably well known and operating version of this would be a Local Authority Trading Company (LATCo) that would allow the Parties to maximise commercial opportunities and seek to generate a profit. Another option under this option would be a Joint Venture with one or more partners (e.g. authorities and external organisations) sharing resources and

expertise to deliver services. A range of different models will be considered under this option.

Extended Partnership – all the options discussed above could be progressed in the form of an extended partnership with other bordering local authorities to further maximise economies of scale and benefit from a great array of waste infrastructure over a wider region. This option would require alignment of contract timelines and agreements on service provision over an extended area. The extended arrangement could also include other elements of waste services and domestic waste services within the existing administrative areas of the Parties.

It is important to recognise the scale and complexity of the existing arrangements when considering options for the future. While the Parties have clearly benefitted in the current contract from shared infrastructure and economies of scale, the challenge for a Party to then operate individually would be significant in terms of cost and resource required. It is therefore crucial that each Party considers the implications of this scenario on their organisation in the course of the programme appraisal.

Options Assessment:

Due to the ongoing financial pressures that all local authorities are facing it is clear that seeking to achieve a positive financial outcome must be the primary aim of this work, however it is not the only factor and therefore the options above will need to be assessed and evaluated against range of different factors.

Other key assessment factors will include;

Zero Waste to Landfill – significant progress has been made through the current contractual arrangement to reduce the amount of waste going to landfill but the Parties remain reliant on this route for c.20,000 tonnes bulky residual waste each year. Through the new arrangements the Parties would seek to move quickly to end reliance on landfill for disposal of as much waste possible as soon as practicable.

Waste Prevention – ensure that preventing waste, as both the most cost effective solution and the top of the waste hierarchy, is a central plank of the future arrangements and that the approach selected must enable delivery of this as a core consideration for all future delivery. It is only through waste prevention that the Parties will achieve the necessary targets for carbon reduction and recycling and reduce our overall cost exposure.

Carbon Reduction – ensuring that the arrangements enable the Parties to develop and implement projects that reduce, on an ongoing basis, the carbon impact of the waste disposal service. This will include consideration of the whole system for domestic waste management.

Best value– this should be considered both from a pure cost perspective as well as considering the potential for income generation both directly from the household waste aspect of the service as well as the maximising of the assets under the control of the authorities. This will include ensuring that the Parties have transparency with regards to the financial flows.

Resilience and reliability – as discussed above, one of the great benefits of the existing contract is the resilience and reliability that it affords to the Parties in terms of guaranteed infrastructure capacity and availability, and the economies of scale achieved through marketing all the household waste across the three authority areas. The chosen/recommended option(s) for future delivery need to consider this, particularly in the context of an increasingly volatile global economy.

The Parties will undertake an initial review of all the options based on an agreed detailed assessment methodology based on the above factors to produce a shortlist of preferred options for more detailed analysis before determining the optimal solution to be taken forward.

Where necessary and appropriate, external expert support will be sought where the knowledge/expertise does not exist within the Parties and these will be procured transparently on an as needed basis.

It is additionally anticipated that specialist external legal support will be required throughout the process to advise on the different options and their implications to ensure that they are deliverable.

Infrastructure Review:

A critical element of this programme is gaining a clear understanding of both the condition and value of the current suite of waste disposal infrastructure that will be handed back to the Parties at the end of the current contract term in December 2030.

This infrastructure comprises;

- 3 Energy Recovery Facilities (ERFs) - managing residual waste
- 2 Material Recovery Facilities (MRFs) – managing dry mixed recyclables
- 2 open windrow composting sites – managing green garden waste
- 11 waste transfer stations – managing bulking and onward haulage of multiple waste streams

The infrastructure is both a significant economic and strategic asset for the Parties but also carries a significant amount of risk both from a financial as well as a service delivery perspective.

Understanding this infrastructure is key to determining what future options are available to the Parties and therefore a key element of this programme is to commission condition surveys of all of the infrastructure as well as obtain clear valuations of each element.

This work will require engagement of external experts with the necessary expertise to undertake the assessments and produce independent reports to support the decision making on the preferred options.

Outline Procurement Strategy:

Another element of this programme of work is for the Tripartite Parties to agree the aims and objectives for what follows the current contract after 2030.

This will include key areas such as

- Environmental performance – waste reduction and recycling.
- Risk appetite
- Contract duration
- Key partnerships
- Communications
- New Technologies including use of AI
- Social Value

This will ensure that the outputs from the options appraisal work will align with the strategy ahead of any procurement activity taking place. To ensure that a comprehensive appraisal is progressed, it is anticipated that procurement techniques such as soft market testing, supported by extensive modelling exercises and desktop research, are used to inform the direction of travel.

Programme

It is recognised that this project will be considerably lengthy to take it through to mobilisation of new arrangements from 1 January 2031. Any contract tender design and award period will need particular attention given the potential scale and scope of what will likely be required. It is for this reason that it is strongly recommended that this programme commences early in 2024 to allow sufficient time for all aspects to be properly considered.

There are clear benefits to be gained from establishing a preferred position from an early stage. As such, the evaluation work proposed for 2024 within this report will be critical to establish a baseline position through identifying which strategic options should be explored in greater detail from 2025 onwards while justifying which options should be discounted.

Through the governance arrangements to be set up as per the next paragraph, regular updates will be provided to the Steering Board on progress and findings, and further interim decision reports will be submitted periodically to all Parties as required to support the development of the decision-making process and inform next steps.

The headline programme is set out in table 1 below however please note this is an indicative timeline at this stage, and a detailed programme will be developed as part of this work.

Table 1 – Programme Timeline

Dates	Activity
March 2024	Programme Inception
April 2024 – December 2024	Options Appraisal
April 2024 – December 2024	Infrastructure Assessment
January 2025	Options Shortlist Decision
January 2025 – January 2026	Detailed Options Analysis
January 2026	Final Options Decision
February 2026 – September 2026	Market Engagement
October 2026 – April 2027	Procurement Strategy
May 2027	Procurement Approval
June 2027 – September 2027	Procurement Preparation
October 2027 – October 2029	Procurement Process
November / December 2029	Contract Award Decision
January 2030	Contract Award
March 2030	Contract Mobilisation
January 2031	Contract Start

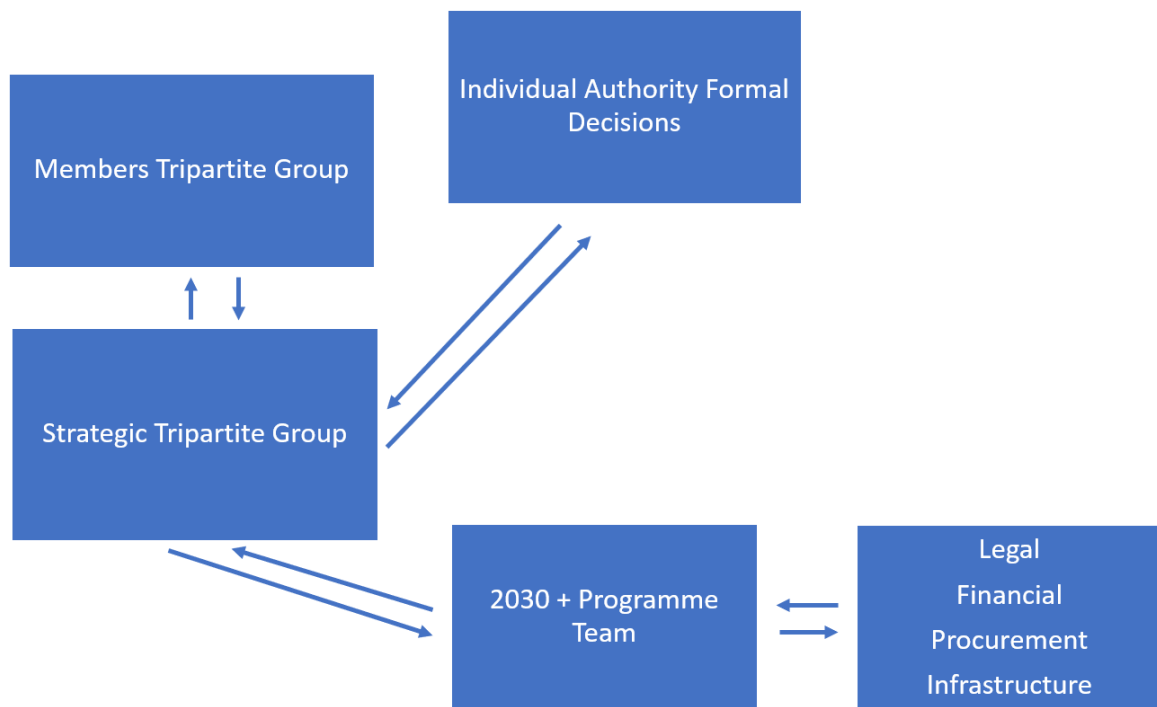
Resources

To ensure that the programme of work is delivered effectively the Parties are seeking to utilise existing governance structures, in-house skills and resources to ensure that the programme is as efficient as possible.

The Parties currently have both a strategic officer group that has representation at Assistant Director / Director level and a Member Group which is attended by the relevant portfolio holder for each Authority. These groups meet regularly and will be utilised to manage this programme of work alongside a new programme level group established with a programme lead appointed and representation from each of the authorities.

Under these arrangements a full programme plan will be developed which, once approved by the Strategic Tripartite Group, will then be managed by the programme team with regular reports to the Strategic and Members Group as part of the existing meeting schedule. The outline governance structure is set out in diagram 1 below.

Diagram 1 – Proposed Governance Structure



The programme team will, as part of the approved programme plan, appoint consultants with joint instructions being given so that all work is commissioned on behalf of the Parties. It will be agreed by the programme team which Party will enter into any contractual arrangements depending on who is best placed to do so.

Where the necessary skills exist within the Parties these will be used to support the programme of work to maximise value for money. Where a certain element is delivered this will be considered as a contribution to the programme and the associated costs will be shared by each Party in accordance with the finance principles set out below.

Communications

It is recognised that regular and targeted communication will be required within and between all Parties to maintain a consistent approach. As discussed above, the WDSC is both an important strategic contract to help each Party fulfil its statutory duty, and is also a significant budget pressure, so needs due consideration.

All Parties will ensure that appropriate resources are available to support the project. An internal communications site will be made available to collate and share information and manage change effectively.

Finances

Table 2 below sets out the outline budget for this programme of work broken down by key work area for each year.

Table 3 sets out the total costs of the programme broken down by each Party, the split is done using the existing the waste disposal service contract percentages.

Please note that these costs are just estimates at this stage, particularly with regard to the later years of the process as the option(s) selected may impact on the procurement activity and therefore its associated costs. It is proposed that a total estimated programme budget of up to £1.6 million is noted at this stage and that updates will be provided at each decision point. The outcome of the options analysis will inform the complexity of the work going forward and therefore the cost below will vary from 2026 onwards.

Table 2 – Estimated Annual Programme Budget

Work Area	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Programme Management	£10,000	£10,000	£21,000	£32,000	£42,000	£42,000	£32,000
Legal Costs	£50,000	£50,000	£50,000	£50,000	£150,000	£150,000	£50,000
Financial Support	£35,000	£35,000	£35,000	£50,000	£75,000	£50,000	£25,000
Infrastructure Assessment	£300,000	£20,000	£0	£0	£0	£0	£0
Technical Advice	£35,000	£75,000	£50,000	£20,000	£20,000	£20,000	£20,000
Total	£430,000	£190,000	£156,000	£152,000	£287,000	£262,000	£127,000

Table 3 – Estimated Individual Total Authority Costs

Year	Hampshire	Portsmouth	Southampton	Total
2024/25	£331,100	£49,536	£49,364	£430,000
2025/26	£146,300	£21,888	£21,812	£190,000
2026/27	£120,120	£17,971	£17,909	£156,000
2027/28	£117,040	£17,510	£17,450	£152,000
2028/29	£220,990	£33,062	£32,948	£287,000
2029/30	£201,740	£30,182	£30,078	£262,000
2030/31	£97,790	£14,630	£14,580	£127,000
Total	£1,235,080	£184,781	£184,139	£1,604,000

Conclusion

This programme of work is a critical one for the Parties due to the financial and reputational risks associated with delivering the waste disposal service for a geographic and administrative area the size of Hampshire, Portsmouth and Southampton.

There has been significant change in the waste sector affecting local authorities over the recent years and this programme provides the Parties with the opportunity to best position themselves to ensure their waste services deliver the optimal environmental outcomes beyond 2030 whilst also ensuring value for money.

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Universal Services
Date:	11 March 2024
Title:	Bus Promotional Marketing and Fares Initiatives
Report From:	Director of Universal Services

Contact name: Andrew Wilson/Lisa Cook

Email: andrew.wilson@hants.gov.uk
lisa.cook@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to seek approval to spend a portion of the County Council's allocation of Bus Service Improvement Plan+ (BSIP+) funding on measures to promote Hampshire's bus network, encourage more people to travel by bus and incentivise those people who do not travel by bus to try public transport. These projects will be delivered in partnership with Hampshire's bus operators.

Recommendations

2. That the Executive Lead Member for Universal Services approves the final programme contained in this report and endorses the expenditure of £200,000 of Bus Service Improvement Plan+ (BSIP+) funding to be spent on promotional and marketing initiatives, and on Travel Training for people who are not used to travelling by bus.
3. That the Executive Lead Member for Universal Services approves the final programme outlined in this report and endorses the expenditure of £200,000 of BSIP+ funding on bus fares initiatives, in order to encourage people to try bus services and increase the number of regular bus passengers in Hampshire.

Executive Summary

4. This paper seeks to:
 - set out the background to the Hampshire Bus Service Improvement Plan (BSIP) and the priorities for investment to improve Hampshire's bus network, and demonstrate how the proposals in this report are consistent with the BSIP and DfT guidance
 - set out further detail of the non-bus user education and bus marketing promotional campaigns and fares initiatives proposed for delivery by the County Council in partnership with bus operators, over the period to summer 2025

- consider the finance for the project and the impact on the budget

Contextual information

5. In May 2023, Government announced Hampshire County Council's allocation of £7,158,924 of "BSIP +" revenue funding. On 18 September 2023, the Executive Lead Member for Universal Services considered a report on how the BSIP + funding would be utilised, with six broad areas for investment referenced in the report, one of which was to deliver multi-operator promotional campaigns to promote bus use. As part of that decision, the Executive Lead Member for Universal Services delegated authority to the Director of Universal Services, in consultation with the Executive Lead Member for Universal Services and the Head of Legal Services, to determine the principles for the award of the funding which will be allocated to support the objectives of the Hampshire BSIP and also secure the necessary approval to spend.
6. The Enhanced Partnership Board agreed the plans for the spend in these areas in October 2023.
7. In January 2024, the Director of Universal Services (having consulted with the Executive Lead Member for Universal Services and Head of Legal Services) approved the methodology for allocating the areas of spend for the Council's £7.16m of Bus Service Improvement Plan plus funding. Of the £7.16million funding, the Director approved the methodology which enabled the spending of £200,000 for "Non-bus user education, roadshow & marketing initiatives" and a further £200,000 from the 2023/24 BSIP+ allocation for "Fares Initiatives" that would complement the £2 capped single fare initiative that is being funded by the Government until 31 December 2024. It was set out in the Officer Delegated Report approved by the Director of Universal Services on 16 January 2024 (see 'Other Significant Links' towards the end of the report) that when the details of the bus fares initiatives and promotional activities have been finalised by the County Council in partnership with bus operators, final approval for the programme would be sought. This detail has now been developed and is set out in this report, i.e. extension of the 'Our Bus' marketing programme; travel training for non bus-users; production of 'How To' videos to be disseminated over social media; 'Free Bus' days and weekends in several areas of Hampshire; and high street roadshows with bus operators.
8. On the busiest bus routes in Hampshire that have bus services running every 20 minutes or more, the number of bus passengers carried has now returned to or exceeded the number of passengers using them prior to the pandemic. This is a strong indication that the bus network is performing well and has the potential to attract more passengers. On less frequent services, passenger numbers are still to fully recover. This is an issue for commercial bus operators as over the last two to three years, they have faced sustained inflationary pressures as staff costs have increased as well as fuel, vehicle maintenance and insurance costs.
9. Given that 90% of bus services in Hampshire are operated on a commercial basis, and this proportion could increase in the future, it is important to support the expansion of the commercial bus network. The purpose of these initiatives is to encourage more Hampshire residents to travel by bus for some of their everyday journeys and to help operators to increase revenue, thereby putting

more local services back on a stronger commercial footing and ensuring that these are sustainable in the longer term.

10. It was set out in the Officer Delegated Report approved by the Director of Universal Services on 16th January 2024 that when the details of the bus fares initiatives and promotional activities have been finalised by the County Council in partnership with bus operators, final approval for the programme would be sought.

Summary and Rationale for promotional marketing and fares initiatives

Non-bus user education, roadshow & marketing initiatives

11. In 2022, the County Council worked in partnership with Atkins to deliver an award-winning 'Travel For All' programme which encouraged people over 65 years of age to travel independently by public transport. The project also resulted in improvements to people's confidence, feelings of wellbeing and connection to their local communities.
12. In 2023, South Western Railway, in partnership with local charity Winchester Go LD delivered a "Travel with Confidence" project, to help show groups of adults with learning disabilities how they can access and travel around by train, helping over 100 such adults to live more independent lives.
13. It is proposed that similar travel training initiatives for bus travel be delivered in partnership with Hampshire's major bus operators. These initiatives would be targeted at all people who do not currently use public transport. A large proportion of Hampshire's residents do not travel regularly by bus and many people who tend to travel almost exclusively by car may not have made a journey by bus for a number of years. Around 19% of Hampshire's households do not have access to a car or van.
14. Whilst the £2 capped single fare is a positive reason for people to 'Try the Bus', other barriers to bus travel exist. People are often unaware of bus services in their local area, which destinations these serve or how often services run. Such non-bus users may not be aware that all buses in Hampshire accept contactless payment and that they would not need to carry or pay by cash. Therefore, it is proposed to work with bus operators to produce a series of short, localised "How To" video guides to help overcome barriers for non-bus users. These short videos would then be able to be disseminated through social media channels, on buses and on real time information screens.
15. The guidance from DfT on use of BSIP+ funding is that where this is spent on marketing, this should be used for new promotional initiatives that are not 'business as usual' activities.
16. A bus promotional campaign ('Our Bus') was jointly delivered by HCC, Bluestar, First Solent and Stagecoach over the summer and autumn of 2023. A £40,000 contribution from HCC was matched by £15,000 contributions from each operator. This was the first time that a joint campaign had been run in Hampshire across all bus operators. The campaign comprised outdoor and digital advertising, supplemented by Spotify and radio advertising. Each operator contributed investment in a mix of bus shelter posters, bus back advertising and digital advertising campaigns. Target audiences were older

people, working people and families, and messages promoted the £2 capped single fare and free travel for concessionary pass holders.

17. Given the success of this campaign, bus operators are keen to extend the activity into 2024. It is proposed to run a further three-month campaign from mid-April to mid-July 2024, with a target audience of young adults, focussing on the twin themes of travel by bus being good for the environment, and bus fares representing very good value for money compared to the fuel, insurance, tax and upkeep costs of owning a car. Operator feedback suggests that short online videos are powerful channels for engaging with and persuading young adults about products and services.
18. Therefore, the strategy for the 2024 campaign that has been developed with bus operator partners involves short videos, outdoor advertising on billboards and bus shelters and social media promotions.
19. This programme will be supported by a number of 'high street roadshows' across the county, where operators would typically display new buses, engage with bus users and potential users, promote new services and ticketing offers.

Fares Initiatives (to complement the £2 capped single fare initiative)

20. In order to best complement the £2 capped single fare funded by DfT, the £200,000 allocated to "Fares Initiatives" is to be utilised to encourage more bus use at times of day when there is spare capacity on buses, such as at weekends and in the evenings. Following discussions with local bus operators, the proposal is to offer a series of 'Free Bus Saturdays', or 'Free Bus Weekends'. Operators would be reimbursed using the BSIP+ funding for the fare revenue forgone. This initiative was run with great success in the Portsmouth area on several weekends during 2023. It is proposed that the free weekend travel initiatives would operate across Hampshire, but based on specific town networks, e.g. Basingstoke area, Andover area and the Winchester area. This would make the initiative easier to promote and to administer.
21. Investment in these areas is consistent with, and will build on, the current Government initiatives to increase bus use, e.g. the £2 single fare cap which will run until the end of 2024. It is also consistent with Government financial support for the bus industry during and since the pandemic. The proposals are consistent with, and fully support a number of Hampshire's BSIP priorities i.e. investment in flagship corridors; simpler and more affordable ticket options; bus network presented as a single system; and customer charter and better customer engagement.
22. In terms of project governance, delivery of the initiatives will be overseen by the Hampshire Enhanced Partnership Board.

Finance

23. Of the £200,000 for non-bus user education/ travel training and marketing promotion, approximately £100,000 would be utilised to provide travel training, around £50,000 to develop promotional videos targeting young people and £50,000 to develop and disseminate localised "how to" videos, that can then be

made available through operators' websites, the County Council's website, and through various social media channels.

24. The £200,000 for Fares Initiatives will provide a number of 'Free Bus Saturdays/Weekends' across the county and would be promoted in advance online, on buses, at bus stops, on real time information screens and through various social media channels.
25. The £7.16 million BSIP+ funding allocated to the County Council by Government is one-off funding over two years that must be spent on measures to improve bus services, passenger facilities and promote the bus network. DfT has set out a number of terms and conditions for this one-off funding in a Memorandum of Understanding (MoU) which if not adhered to, would mean that the funding would have to be returned to DfT. Therefore, this funding cannot be used for the ongoing support of subsidised bus services, but is being targeted at strengthening the commercial bus network, helping bus operators to grow the market and expand their commercial networks for the benefit of Hampshire residents.

Performance

26. The investment in travel training, marketing and promotion and fares initiatives will encourage more people to travel by public transport and therefore contribute to County Council's strategic objectives around sustainable economic growth, accessibility, climate change and air quality. Local bus services connect the places where people live to employment, shopping, education and healthcare, helping people to live safe, healthy, independent lives. The more people that use bus services in Hampshire, the more financially sustainable the bus network will be, encouraging operators to invest in expanded networks, more frequent services and zero-emission buses.
27. These measures that are all designed to improve bus networks and encourage more people to travel by public transport will also help the transport network to operate more efficiently, helping to reduce congestion, improve air quality and reduce carbon consumption.

Consultation and Equalities

28. In line with guidance issued by the Department for Transport at the time the National Bus Strategy was published, the County Council has undertaken consultation to gain the views and support of stakeholders both on the existing bus network and potential improvements that could be made through the BSIP and Enhanced Partnership (EP).
29. Following the original submission of the BSIP, the government required the County Council to engage with stakeholders on both a formal and informal basis around the development of the EP Plan and EP Scheme. The informal consultation took place between October 2021 and January 2022 and consisted of a range of initiatives including Passenger Transport Forums, meetings with district and parish councils and a series of virtual drop-in sessions that any interested stakeholders could sign up to. Two focus groups were also conducted, the first group consisted of regular bus users and the second group consisted of infrequent or non-bus users. In addition to this there were regular

meetings with all local bus operators and neighbouring local authorities. Overall, there was strong support for the scope and direction of the BSIP as well as support for the priorities the County Council has identified.

30. The outputs of the BSIP and EP will have a particularly positive outcome for those groups who are statistically more frequent users of public transport including younger and older people, women, those with the protected characteristics of disability, race, pregnancy and maternity, those living in rural locations and those on lower incomes. Residents with the protected characteristic of religion or belief could also be impacted positively through improved services supporting access to religious events or places of worship. There is a neutral impact on other protected groups.
31. In terms of equality impacts, there is a higher reliance on buses for commuting amongst particular sectors of the population: females, younger age groups (16–19-year-olds), part-time workers, those in manual occupations and those on low incomes. 18.9% of households in Hampshire have no access to a car or van. Around one in three bus journeys in Hampshire are made by concessionary pass holders.
32. The Hampshire BSIP commitments to work towards more frequent, more reliable, easier to understand and use, and better co-ordinated bus services that would enable people to access essential services and lead independent lives for longer within their own communities. The measures proposed within this report would strengthen the financial viability of the commercial bus network by attracting more passengers and therefore more revenue to bus services, encouraging operators to expand their networks.

Climate Change Impact Assessments

33. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

Carbon Mitigation

34. By increasing the modal share of journeys made by bus and decreasing the share made by private car, BSIP measures would support a reduction in carbon emissions from transport. Buses also make more efficient use of road space – a double decker bus can take up to 75 cars off the road. Bus operators will continue to invest in their bus fleets, which already perform well in terms of nitrogen dioxide and particulate matter emissions. On average, each journey made by bus generates a 50% reduction in carbon emissions over a journey made by private car.

Conclusions

35. The recommendations within this report are consistent with the Hampshire BSIP priorities and complement the overall package of measures that is being implemented by the County Council and bus operators to improve Hampshire's bus network and associated infrastructure.
36. The promotional activities and fares initiatives will attract more people to use Hampshire's bus network. The projects have been developed in partnership with Hampshire's bus operators and will be delivered jointly and consistently across the county.
37. The projects will help meet the objectives of Government's National Bus Strategy and the joint delivery will build on the existing positive relationship between the County Council and its bus operators.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Bus Service Improvement Plan https://democracy.hants.gov.uk/documents/s86266/Report.pdf	28 Oct 21
Hampshire’s Bus Enhanced Partnership Plan & Scheme https://democracy.hants.gov.uk/documents/s91772/Report.pdf	10 Mar 22
Bus Service Improvement Plan Plus Bus Service Improvement Plan Plus-2023-09-18-ELMUS Decision Day (hants.gov.uk)	18 Sept 23
Delegated Officer Decision: <u>Title</u> Bus Service Improvement Plan Plus Funding Proposals Decision - Bus Service Improvement Plan Plus Funding Proposals About the Council Hampshire County Council (hants.gov.uk)	16 January 24
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>
Bus Back Better – A National Bus Strategy for England Bus back better - GOV.UK (www.gov.uk)	Mar 21

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	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- 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.

2. Equalities Impact Assessment:

The outputs of the BSIP and EP will have a particularly positive outcome for those groups who are statistically more frequent users of public transport including younger and older people, women, those with the protected characteristics of disability, race, pregnancy and maternity, those living in rural locations and those on lower incomes. Residents with the protected characteristic of religion or belief could also be impacted positively through improved services supporting access to religious events or places of worship. There is a neutral impact on other protected groups.

In terms of equality impacts, there is a higher reliance on buses for commuting amongst particular sectors of the population: females, younger age groups (16–19-year-olds), part-time workers, those in manual occupations and those on low incomes. 18.9% of households in Hampshire have no access to a car or van. Around one in three bus journeys in Hampshire are made by concessionary pass holders.

The Hampshire BSIP commitments to work towards more frequent, more reliable, easier to understand and use, and better co-ordinated bus services would enable people to access essential services and lead independent lives for longer within their own communities. The measures proposed within this report would strengthen the financial viability of the commercial bus network by attracting more passengers and therefore more revenue to bus services, encouraging operators to expand their networks.

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Countryside and Regulatory Services
Date:	11 March 2024
Title:	Prostate Cancer UK Campaign – ‘Boys Need Bins’
Report From:	Director of Universal Services

Contact name: Rachel Gelormini

Email: rachel.gelormini@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to consider the provision of sanitary bins in male toilets in Hampshire County Council buildings, in support of Prostate Cancer UK’s ‘Boys Need Bins’ campaign.

Recommendations

2. That the Executive Member for Countryside and Regulatory Services approves the roll out of sanitary bins in all cubicles in male toilets in Hampshire County Council buildings used by both staff and the public, in support of Prostate Cancer UK’s ‘Boys Need Bins’ Campaign.
3. That the Executive Member for Countryside and Regulatory Services approves the associated increase of £6,550 in annual spend on Waste Services to be drawn from existing service budgets within Chief Officer Delegations.

Executive Summary

4. This paper seeks to outline the reasons behind the decision to approve the roll out of sanitary bins in male toilets in Hampshire County Council buildings.
 - a. On 28 September 2023 the County Council notice of motion (item 11) was submitted, raising awareness of prostate cancer, the most common cancer in men. 1 in 8 men will be diagnosed, rising to 1 in 4 for Black men. As many as 69% of those treated with surgery may experience urinary incontinence as a result.
 - b. Research shows that men who need to dispose of their sanitary waste, often have no direct access to a sanitary bin in male toilets.
 - c. The Council believes that men should be able to safely and hygienically dispose of incontinence products easily and with dignity wherever they go, and that men who need to dispose of their sanitary waste should have direct access to a sanitary bin in male toilets.

5. Officers have identified the number of cubicles in male toilets in Hampshire County Council buildings where a sanitary bin would need to be provided. On the assumption that these numbers will not change significantly, the cost of this proposal amounts to an increase of £6,550 against existing waste services on the managed estate as noted at paragraph 10.
6. The next steps would be to instruct our sanitary waste contractor to deliver bins to the relevant sites and as there is an existing commercial waste contract in place, there is no further procurement required.

Contextual information

7. Following the County Council notice of motion (item 11) submitted on 28 September 2023, Officers have identified the number of cubicles in male toilets in Hampshire County Council buildings where a sanitary bin would need to be provided.
8. An assumption has been made that accessible and unisex toilets or cubicles already have a sanitary bin provided.
9. Buildings identified do not include schools, or buildings managed by our partners. There is a potential to extend this proposal to include the 476 schools who are part of the existing commercial waste contract. Future consideration will be given for these schools to opt in to include sanitary bins for male cubicles.
10. A summary of the number of bins proposed to be provided in Council buildings is provided below:

Service the building is managed by	Number of bins required
Facilities Management (staff offices)	100
Countryside	28
Outdoor Centres	22
Children’s Services	16
Adults Health & Care	16
Libraries	14
Highways	6
Total	202

Finance

11. On the assumption that these numbers will not change significantly, the cost of this proposal amounts to £6,550 at current rates and will be an ongoing annual charge for provision, collection and emptying of the bins. Funding will be drawn from existing budgets by the relevant services listed in paragraph 10 above.
12. It is anticipated that this action would deliver some cost avoidance elsewhere in maintenance budgets (linked to blockages) by making provision for appropriate disposal (rather than flushing) of these products.

13. Taking into account the requirement for men to be able to dispose of incontinence products easily and with dignity wherever they go, as well as the anticipated cost avoidance elsewhere, it has been assessed that the provision of a bin in every male cubicle is a cost effective proposal.

Consultation and Equalities

14. The Equalities Impact Assessment has identified that the increased provision of sanitary bins in male toilets would overall have a positive impact on the following protected characteristics for both staff and the public by improving access to facilities and services: age, disability, race, sex, gender reassignment, poverty and rurality. No negative impacts were identified.
15. Neither consultation nor engagement has been carried out, nor is intended in relation to this proposal.

Climate Change Impact Assessments

16. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.
17. The provision of more sanitary bins is not anticipated to have any impact on carbon emissions or levels of resilience to climate change for the organisation.

Conclusions

18. As outlined in this report, the benefits of this proposal include; raising awareness of prostate cancer, allowing men to dispose of sanitary waste with dignity, the positive equalities impact and its cost-effectiveness. It is therefore recommended that sanitary bins are provided in all male cubicles in County Council buildings.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	no
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
County Council, 181 Notice of Motion (item 11) https://democracy.hants.gov.uk/ieListDocuments.aspx?CId=163&MId=10799	28 September <u>2023</u>
Direct links to specific legislation or Government Directives	
<u>Nil</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.)

Document

Location

None

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- 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.

2. Equalities Impact Assessment:

An Equalities Impact Assessment has been carried out, identifying that the increased provision of sanitary bins in male toilets would overall have a positive impact on the following protected characteristics for both staff and the public by improving access to facilities and services: age, disability, race, sex, gender reassignment, poverty and rurality. No negative impacts were identified.

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Countryside and Regulatory Services
Date:	11 March 2024
Title:	Basingstoke Canal
Report From:	Director of Universal Services

Contact name: Jo Heath

Email: Jo.heath@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to set out the proposed changes to the governance and operation of the Basingstoke Canal Authority – which acts as a delivery agent for the management of the Basingstoke Canal, on behalf of the landowning authorities, Hampshire and Surrey County Councils.

Recommendations

2. That the Executive Member for Countryside and Regulatory Services approves changes to the governance and operation of the Basingstoke Canal Authority (BCA) as detailed within this report.
3. That the Executive Member for Countryside and Regulatory Services delegates authority to the Director of Universal Services in consultation with the Head of Legal Services to agree and enter into the necessary Memorandums of Understanding, Agreements and arrangements with partners, that will underpin the updated governance.
4. That the Executive Member for Countryside and Regulatory Services takes this decision in the context of Hampshire County Council's role as one of two landowning authorities for the Basingstoke Canal (alongside Surrey County Council), on behalf of whom the BCA acts as a delivery agent.
5. That, subject to a parallel decision by the Executive Member at Surrey County Council (to be taken on 26 March), these changes come into effect from 1 April 2024.

Executive Summary

6. This paper seeks to set out the proposed changes to the governance and operation of the Basingstoke Canal Authority – which acts as a delivery agent for the management of the Canal, on behalf of Hampshire and Surrey County Councils.
7. There are significant drivers for change to the management and operation of the canal. In particular, the canal is not currently financially sustainable, and the

paper seeks to demonstrate how the proposed changes will seek to move it towards greater financial sustainability.

Background

8. The Basingstoke Canal, which is 32 miles in length, was jointly acquired by Hampshire and Surrey County Councils in the 1970s, to manage risks (notably flooding), protect the Canal and provide for public recreation.
9. The Canal is designated as a Site of Special Scientific Interest (SSSI) and due to its hydrological biodiversity and the effective management of its ecosystem, is home to numerous nationally scarce species of flora and fauna. As an accessible green and blue space, it also delivers well documented benefits to physical and mental health, and wellbeing.
10. The Basingstoke Canal Partnership was established to fund the operation of the Canal following restoration in late 1980's. The partnership includes a number of riparian partners (District, Borough and Town Councils) that contribute financially to the running of the Canal as per a Memorandum of Agreement. Governance is undertaken via the Canal's Joint Management Committee (JMC).
11. Subsequent to this, the two County Councils, as landowning authorities, formed the Basingstoke Canal Authority (BCA) in 1990 to operate and manage the Canal. Under this arrangement Hampshire County Council employs the BCA staff working under Hampshire County Council policies, and provides IT & Finance support, while Surrey County Council provides the main operational base and visitor centre at Mytchett as well as Democratic Services support.
12. The funding and governance model described above has since formed the basis for how the Canal is managed, up until this point.

Drivers for Change

13. The current operation of the Canal is not financially sustainable: In 2023/24 costs will require a projected draw of £192,000 on existing reserves to cover a shortfall in income. On the basis income and expenditure of the Canal continues as is, these reserves are expected to be fully depleted by 2026/27.
14. The Canal is funded by the landowning authorities and the riparian funding partners, utilising a funding formula which is based around population in proximity to the Canal. A breakdown of how the Canal is funded is included as **Appendix A** to this document. Some Basingstoke Canal Partnership members have either reduced or withdrawn partnership contributions. The financial implications of this are significant - if all funding partners had maintained previous (index linked) contributions, financial sustainability would not be an issue.
15. Commercial activity is also limited: Over a number of years there has been significant growth in income from 5% to 30% (operating budget). However, growth plateaued at the time of the Covid '19 pandemic with further growth opportunities now limited and would requiring significant investment.

MACE Review

16. Having identified emerging issues around financial sustainability, Hampshire County Council and Surrey County Council commissioned Mace Ltd to review management of the Canal and recommend a sustainable operating model.
17. Mace was directed to prioritise delivery of each County Council's statutory obligations, to:
 - provide for Safe operation of the Canal
 - fulfill Conservation duties in relation to the Site of Special Scientific Interest
 - ensure the Health and Wellbeing of residents – public rights of access and navigation (noting that this obligation exists only in the case of small boats, and not larger (motorised) craft)
18. Mace undertook a detailed review of the statutory responsibilities, risks and financial position as well as the current operational and governance model. A number of options were considered, and a preferred option was presented to the Basingstoke Canal Joint Management Committee in November 2023.

Preferred Option

19. A number of management options for the canal were explored by MACE, as follows (and further detailed in **Appendix B**):
 - Option 1: Do Nothing
 - Option 2: Change Ownership
 - Option 3: Change Management Model (remove the BCA)
 - Option 4: the BCA delivers Statutory Functions only
 - Option 5: the BCA delivers Statutory Functions and enables leisure navigation
20. The recommended and preferred option was Option 5, that the BCA should continue to deliver statutory requirements, plus leisure navigation, for maximum financial viability.
21. Under this preferred option, the BCA will no longer deliver other non-statutory activities such as boat hire, camping, running the visitor centre, and events.
22. As part of this approach, it was recommended that changes were also made to how the Canal is governed, noting that the BCA has no legal or corporate identity; that the Memorandum of Understanding with partners is outdated (particularly in reference to funding contributions as per para 11); and, that the Canal's Joint Management Committee is not effective in current form to meet the challenges the canal now faces, with operational decisions made by the Canal Management Team (Hampshire County Council and Surrey County Council officers) and strategic decisions made by landowning authority governance structures.

Proposed Changes to Operating Model

23. Under the revised operating model, the BCA will be retained as delivery agent for the Canal (on behalf of Hampshire County Council and Surrey County Council). It will no longer deliver visitor services activities and will focus on meeting statutory obligations and navigation.
24. A new agreement between the two landowning authorities will be established, to regularise working relationships and financial contributions. Ongoing capital funding will be required from both authorities to enable safe management of canal assets.
25. New Service Level Agreements will also be agreed with riparian funding partners; whose ongoing financial contribution will be encouraged, and where agreed, secured for a minimum period.
26. The Canal Centre at Mytchett (where visitor services are based) will revert to the direct management of Surrey County Council (which is the owner of the building, and entitled to make decisions upon its future use, with Hampshire County Council being kept informed). The BCA will, however, continue to be based at the Mytchett Centre.
27. BCA staff are managed as Hampshire County Council employees for HR & Administrative purpose. The 3 members of BCA staff most closely associated with Visitor Centre Activity will transfer to the employment of Surrey County Council via a TUPE process. Consultation with these staff has already been undertaken, with the completion of process now subject to both authorities' decision making processes.

Proposed Changes to Canal Governance

28. Current governance arrangements are in need of review in the context of the challenges the Canal is facing.
29. The Basingstoke Canal Authority was established in 1990 to operate and manage the canal, but has no legal or corporate identity.
30. There is a Memorandum of Agreement with riparian partners but this is outdated given the change in partner contributions and how decisions are made.
31. Finally, the Canal's Joint Management Committee is a key element of governance but is not effective in its current form to meet the challenges the Canal now faces: with operational decisions made by the Canal Management Team (Hampshire County Council & Surrey County Council officers) and strategic decisions by landowning authority governance structures.
32. The proposed new governance arrangements for the Canal reflect the responsibilities for how decisions are made and also reduced remit of the BCA. They will provide greater clarity on working arrangements between partners and those bodies that are accountable for liabilities. It is founded upon the following bodies:
 - a. The **Basingstoke Canal Management Team** – responsible for operational management of the Canal and made up of Senior responsible officers and finance from the two County Councils.
 - b. A **Basingstoke Canal Joint Board** – made up of Hampshire County Council & Surrey County Council elected Members only. With two

representatives per authority. This body will provide oversight of the management of the Canal and will make recommendations to the Executive Member for decision at the respective authorities.

- c. An **Advisory Panel to JMC** – an advisory panel consisting of experts in the field of local authority finance, inland waterway management, public access and biodiversity or such other experts as it deems appropriate to assist in its role as a scrutiny Board for the Basingstoke Canal.
- d. The **Basingstoke Canal Society (BCS)** - via a new memorandum of understanding with both landowning authorities, that in turn sets out the working relationships between BCS and BCA.
- e. A **wider partnership of riparian authorities** – with an updated MOA demonstrating commitment from all partners, including Hampshire County Council, Surrey County Council and funding partners. This partnership will be facilitated via two meetings a year and an annual report, alongside regular ongoing engagement.
- f. Other **stakeholders and user representatives**, including non-funding riparian partners, user groups and other partners will be invited to an annual meeting and a site visit in the Summer; to raise awareness of the Canal, share information, create a forum for feedback and seek support.

The proposed governance model is shown in **Appendix C**.

Finance

- 33. If the landowning authorities were to “do nothing” (an option considered and rejected by the MACE report), it was projected that Canal Reserves would fall under the minimum unallocated reserve balance of £200,000, by 2025/26; and run out in 2026/27.
- 34. At the time of the MACE commission, the proposed preferred approach set out in this report was projected to improve financial sustainability; and, significantly delay the point at which reserves would be fully utilised. Since then, the financial position of the Canal has deteriorated with a further reduction in partner contributions meaning that, based on current projections, the proposed approach would only delay the point at which reserves are depleted by one year.
- 35. The financial position of the Canal has continued to deteriorate with all of the £120,000 currently contributed by the riparian partners (included within the table below) now considered to be at risk.
- 36. However, the proposed approach still minimises the ongoing annual deficit in providing statutory services; reduces the risk involved from income generation needed to offset the c. £200,000 per annum gross costs of running the Visitor Centre; and, has been assessed by officers as providing the greatest opportunity to move towards financial sustainability, particularly if partner contributions are reinstated (as has been indicated as a possibility).

37. Please see the below table ref: updated financial position resulting from the proposed approach:

	Do nothing £'000	Preferred Option £'000
Canal Centre costs (including staffing, premises etc)	200	0
Canal Centre income	(156)	0
Staffing, premises, supplies and services, transport	537	537
Maintenance and Surveys	172	172
Hampshire and Surrey County Council contributions*	(306)	(306)
Other Riparian Partner contributions	(120)	(120)
Commercial income	(187)	(187)
Annual draw on reserves	140	96
Year in which unallocated reserve falls below £200k minimum**	2025/26	2026/27
Year in which unallocated reserve is fully depleted**	2027/28	2028/29

**NB this does not include Strategic Management costs and contributions in kind such as the finance costs, democratic support costs and IT costs*

*** a further table detailing reserves position is included as **Appendix D**.*

38. It is important to note that riparian funding contributions, which were initially agreed at a total level of £240,000 per annum, have already reduced to £120,000 per annum and are expected to reduce further still, potentially being removed altogether, in the context of Canal's overall financial position.
39. Without the riparian partner contributions, even under the preferred option reserves will be fully depleted in 2026/27, and it is likely that Hampshire and Surrey County Councils as the landowning authorities would need to increase their annual contributions in order to ensure that, as a minimum, statutory responsibilities are met.
40. As per Para. 21, ongoing Capital Funding will also be required from the landowning authorities. A Hampshire County Council allocation of £500,000 per annum had previously been agreed, up until 2024/25, but there is currently no allocation beyond 2025/26.
41. It is suggested that the minimum requirement for Hampshire County Council Capital Funding is £300,000 per annum to undertake priority works to keep the Canal safely operational for the period spanning 2025/26-2027/28. This does not account for any additional costs that might arise due to unforeseen circumstances. The £300,000 per annum further funding is currently not part of the Universal Services Capital Programme, but will be considered for inclusion as part of the next capital priorities review in accordance with standard procedures.

Consultation and Equalities

42. Consultation with regards to the proposed approach has been undertaken with riparian partners and other stakeholders. A report was delivered to the Canal's Joint Management Committee (in current form) on 20th November 2023.
43. JMC Members were then invited to comment further upon proposals in writing before 30 January 2024 in advance of an Executive Member Decision subsequently being taken by both landowning authorities – with no responses received.
44. In parallel to this, letters were sent to the Chief Executives of riparian funding partners, seeking to confirm onward funding contributions, in the context of the current financial position, and proposed changes to how the Canal is managed.
45. No further consultation has been required with reference to these proposals, beyond consultation with limited numbers of staff with regards to the TUPE process to Surrey County Council, as the decision does not impact upon core elements of public facing service delivery.
46. For similar reasons, no specific impacts upon protected characteristics have been identified as part of the Equality Statement, which has identified a neutral impact on these groups.

Climate Change Impact Assessments

47. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

Climate Change Adaptation

48. As this decision purely relates to the governance and operations of the Canal, the Climate Change adaptation tool was not relevant. The tool will be used in future in relation to any proposals that alter, or have impact upon, the physical infrastructure of the Canal.

Carbon Mitigation

49. As this decision purely relates to the governance and operations of the Canal, the Carbon Mitigation tool was not relevant. The tool will be used in future in relation to any proposals that alter, or have impact upon, the physical infrastructure of the Canal.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	no
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	no

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.)

Document

Location

None

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- 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.

2. Equalities Impact Assessment:

The proposal is with regard to the Operation of the Basingstoke Canal (seeking to achieve greater financial sustainability and updated governance); and does not impact upon core elements of Service Delivery. There is therefore no notable impact upon any groups, including those with protected characteristics, and the impact is assessed as neutral.

Appendix A – Partnership Funding Contributions 2023/24

Local Authority		Funding* Formula		Committed Funding	
Hampshire County		£160,434	28%	£153,000	34%
Surrey County		£160,434	28%	£153,000	34%
Guildford Borough	Surrey	£40,925	7%	£39,076	9%
Hart District	Hampshire	£66,773	12%	£30,924	7%
Woking Borough	Surrey	£55,796	10%	£26,638	6%
Fleet Town	Hampshire		0%	£18,309	4%
Surrey Heath Borough	Surrey	£27,526	5%	£10,000	2%
Runnymede Borough	Surrey	£17,667	3%	£8,000	2%
Rushmoor Borough	Hampshire	£44,244	8%	£0	0%
Church Crookham Parish	Hampshire		0%	£6,750	1%
Odiham Parish	Hampshire		0%	£4,036	1%
Crookham Village Parish	Hampshire		0%	£3,048	1%
Winchfield Parish	Hampshire		0%	£250	0%
Dogmersfield Parish	Hampshire		0%	£240	0%
Total Funding		£573,799		£453,271	

*Funding formula agreed by the JMC in 2008, Surrey Heath Borough Council did not agree to the funding formula. Funding formula was developed based on population in proximity to Canal and is embedded in the Memorandum of agreement.

Notes:

- Woking Borough Council 50% reduction 24/25 (12 mths notice received now confirmed to be 100% reduction)
- Rushmoor 100% reduction 23/24
- Surrey Heath Borough Council contribution is less than that in the MOA
- Hart District Council shares contribution with Fleet and PC's

Appendix B – Detailed Options

Option 1 Do Nothing

Maintain the current model of operation with ongoing requirement to utilise reserves, largely due to the reducing contributions being made by District Authority Partners.

The Canal budget would continue to cover Management, Operations and Maintenance, Administration and Commercial activities and would be under increasing financial pressure due to inflation, static contributions from all authorities and limited ability to capitalise on the commercial activities which have helped bridge the gap between income and costs.

Given the current climate of increased inflationary costs, inefficient governance and operational management and limited prospect [under the management of the BCA] of major additional commercialisation this option poses significant financial risks to HCC and SCC.

Option 2 Change Ownership

The **transfer of ownership** of the Canal has been considered previously and following discussions with the Canal and River Trust (CRT) this option was not financially viable.

The **creation of a Community Interest Company (CIC)** has been considered, with a CIC operating the Canal under a lease transfer, however the liability risk against the asset remains too great when set against the benefits lost and was therefore not pursued. This option would not address the fundamental financial issues of the current operations of the canal.

Option 3 Change Management Model (remove BCA)

The option to **disband the BCA**, allowing HCC and SCC to manage their sections of the canal, realises a number of key benefits, vastly reducing level and [internal] cost of governance structures, i.e., no JMC in this model and placing more autonomy on what each Authority chooses to do with their retained assets.

However, by removing the BCA there is a **much-increased cost of operation** incurred by both authorities to ensure their statutory and critical duties are met, due to the requirement to have minimum staffing levels for key health and Safety operations. Under this model there are still tasks requiring joint working as a single body of water does not respect county borders and actions in one area can have consequences elsewhere, there are also efficiencies lost as some partnering is not capitalised.

Option 4 Retain the BCA, to coordinate and deliver Statutory Minimum activities.

Retaining the **BCA to deliver a statutory minimum**¹ level of service is operationally the most efficient method of delivering the joint responsibilities that HCC and SCC have regarding the Canal, with the exception of managing some differing asset policy requirements, again this reduces the governance layers. None of the current commercial activities have any statutory requirements (Boat Hire, Canal Centre & Camping) which the BCA contribute to/run, so costs and income associated with these is discounted, with the owning Authority making separate studies to determine their viability. The requirement to keep the canal navigable is necessary to ensure access for key maintenance, however income from leisure craft is discounted as is the cost of Lock Keepers required to enable this activity. The reduced remit also offers the potential to redistribute resource within wider operations and reduce the cost of staff and premises/maintenance; however, this reduces

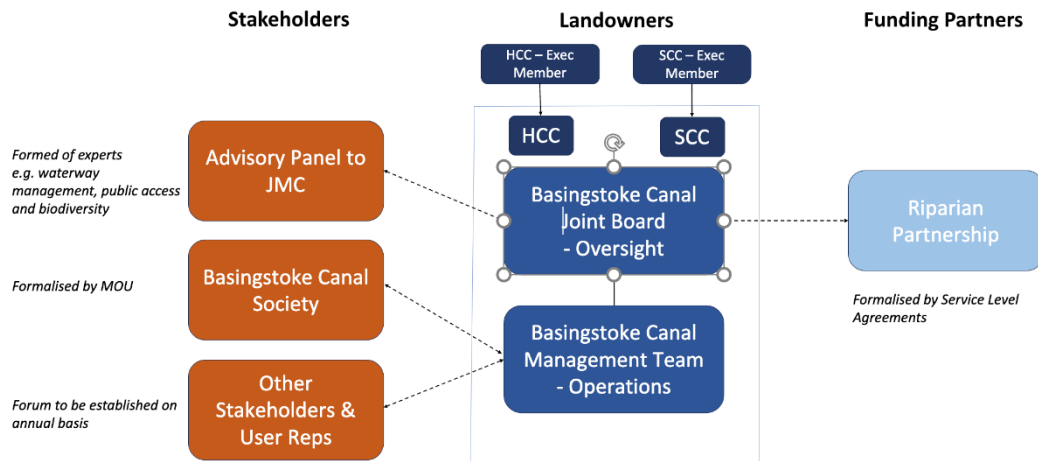
the commercial income. There is no positive net gain in this option, financially there is a risk, that by removing Navigation would lead to a reduced input from volunteers, and there may further result in a risk of legal challenge should [leisure] Navigation be removed.

Option 5 Retain the BCA, deliver Statutory Minimum activities and enable Leisure Navigation

This is the same as Option 4 but adds back the commercial activity associated with Navigation. The requirement to keep the canal navigable is necessary to ensure access for key maintenance, therefore the additional cost to enable [Leisure] Navigation, primarily resides with the employment of Lock Keepers to ensure safe passage through the canal system. The additional cost of this is comfortably offset with the additional commercial income received by Moorings and associated reduced draw on reserves.

Appendix C – Governance Proposal

Proposed Operating Model - Governance



Appendix D – Unallocated Reserves

Unallocated Reserve Projected Balance	Preferred Option with no partner contributions		
	Do Nothing £	Preferred Option £	£
Balance as at 31st March 2023	(593,263)	(593,263)	(593,263)
Income (Interest on Balances)	(34,224)	(34,224)	(34,224)
Transfers From/(To) Reserves	192,000	192,000	192,000
Projected Balance as at 31st March 2024	(435,487)	(435,487)	(435,487)
Projected Income (Interest on Balances)	(14,513)	(16,513)	(10,513)
Budgeted Transfers From/(To) Reserves	140,000	96,000	216,000
Projected Balance as at 31st March 2025	(310,000)	(356,000)	(230,000)
Projected Income (Interest on Balances)	(9,000)	(13,000)	(1,000)
Budgeted Transfers From/(To) Reserves	140,000	96,000	216,000
Projected Balance as at 31st March 2026	(179,000)	(273,000)	(15,000)
Projected Income (Interest on Balances)	(2,000)	(9,000)	0
Budgeted Transfers From/(To) Reserves	140,000	96,000	216,000
Projected Balance as at 31st March 2027	(41,000)	(186,000)	Fully depleted
Projected Income (Interest on Balances)	0	(5,000)	
Budgeted Transfers From/(To) Reserves	140,000	96,000	
Projected Balance as at 31st March 2028	Fully depleted	(95,000)	
Projected Income (Interest on Balances)		0	
Budgeted Transfers From/(To) Reserves		96,000	
Projected Balance as at 31st March 2029		Fully depleted	

* In addition to the unallocated reserve there is an £80,000 ringfenced reserve specifically for works at Wellesley, therefore not included within the figures above.