

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

<b>Decision Maker:</b>	Executive Lead Member for Universal Services
<b>Date:</b>	15 May 2023
<b>Title:</b>	Bus Contracts for Alton and Winchester Areas
<b>Report From:</b>	Director of Universal Services

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### Purpose of this Report

1. The purpose of this report is to detail the outcomes of tenders to provide five bus services in the Alton area in addition to four in the Winchester area. The services have been tendered via the Dynamic Purchasing System for the Provision of Passenger Transport Services. If approved, the contracts are due to be funded from the Public Bus budget at an annual cost of £461,021 and will be awarded for a four-year duration with the option to extend for a up to a further 2 years in annual increments at a total maximum cost of £3,557,059.

### Recommendations

2. That the Executive Lead Member for Universal Services gives authority to spend and enter into contractual arrangements (in consultation with the Head of Legal Services) for new contracts for the Alton and Winchester local bus services, as set out in this report, to commence from 1 August 2023 for a period of four years with an option to extend in annual increments until September 2029 at an annual cost of £461,021, and total maximum cost of £3,557,059, to be met from the Public Bus Budget with a £53,795 contribution from the Home to School Transport Budget for service 67.
3. That the Executive Lead Member for Universal Services approves the mechanism set out within this report to bring contract values down into budgeted levels including conducting a full review of usage on the proposed services and potentially recommending changes to service levels to reduce cost. The Executive Lead Member for Universal Services also notes that this will result in a further report being brought for consideration setting out any recommended changes in full.

### Executive Summary

4. This paper seeks to propose a course of action to ensure that public 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 wellbeing while achieving value for money.

5. The proposed bus tenders retain the existing level of service as far as is affordable and take account of any known changes to the commercial network.

**Contextual information**

6. The Covid-19 pandemic has had a negative impact on all passenger transport services in Hampshire, from rail, to ferry, to bus to community transport. Patronage on these services dropped sharply at the outset of the pandemic and, due to a number of factors, including changes in the way people work, shop and choose to travel, patronage levels have not recovered. This is especially the case for passengers who hold either an Older Persons' or Disabled Persons concessionary bus pass.
7. This reduction in patronage has led to a fall in fare revenue for all passenger transport services which means it is now more expensive than pre-covid to provide these services. Severe driver shortages and inflationary pressures through rises in energy, staff and fuel costs have further increased these costs.
8. The services within this report were last tendered in 2016. They were extended via Single Tender Agreement throughout the pandemic to ensure continuity of service.
9. The services have now been competitively tendered via the Dynamic Purchasing System for the Provision of Passenger Transport Services where several Lots or options were tendered:
  - a) Service C41 and Service 95.
    - Lot 1 – This is the C41 service in its current format with no change;
    - Lot 2 – This is the 95 service in its current format with no change;
    - Lot 3 – This is the combined service C41 & 95. Variation in times and days of operation but the same level of service; and
    - Lot 4 – This is the same as Lot 3 but with an additional day if the budget would permit.
  - b) Service 67.
    - Lot 1 - This is for the current timetable with no changes; and
    - Lot 2 – This is for the last Monday-Friday journey, the first Saturday journey and last Saturday journey to curtail at West Meon Hut.
10. This report proposes that the following are awarded:

Service	Proposed Lot to be awarded	Proposed New Annual Contract Value	Difference in service levels
240	Lot 1	£19,800	NONE
250	Lot 1	£15,000	NONE
38	Lot 1	£111,203	NONE

94	Lot 1	£76,500	NONE
C41	Lot 3	£38,444	NONE
46	Lot 1	£31,865	NONE
63	Lot 1	£25,444	NONE
67	Lot 2	£142,765	See 9.2
95	See C41 above		See C41 above/9.1
Total value		£461,021	

## Finance

11. The total contract cost for these proposed services would be £3,557,059 however, potential inflationary increases have been built into this figure to ensure there is transparency over the total contract spend. Inflationary increases will be applied to the contract value in line with the Terms and Conditions which will apply to these contracts.
12. Given the challenging economic climate, this report has allowed for inflationary increases of up to 10% in years 2, 3, 4 (and 5 and 6 should the proposed contracts be extended), however, the actual inflation applied is expected to be much lower than the maximum figure and would be subject to available budget.
13. Approval for the Home to School element associated to the Service 67 is in line with the statutory right imposed on Childrens Services and has been agreed with service leads.
14. Overall, this tendering round represents a £44,341 higher cost per annum than the previous contracts, despite awarding tenders for reduced timetables. Savings from elsewhere within the budget will be identified to absorb this higher cost until the steps set out in paragraph 15 have been undertaken.
15. It is proposed that a detailed patronage analysis is undertaken during the first year that these new contracts operate to identify where further savings, to permanently offset the increased costs, will be made. These further savings could see reductions in days of operation or the number of journeys available. A report will be presented to the Executive Member which will detail where these proposed savings will come from within the first year of these contracts.

## Performance

16. This section outlines the new service levels on a service by service basis;
  - Service 240 currently operates on a Monday and Thursday and offers four off peak roundtrips per day. It is proposed that the new service will operate the same route and frequency with no changes;

- Service 250 currently operates on a Monday, Wednesday and Friday and offers three off peak roundtrips per day. It is proposed that the new service will operate the same route and frequency with no changes;
- Service 38 currently operates on Monday to Friday and offers five return journeys per day. It is proposed that the new service will operate the same route and frequency with no changes;
- Service 94 currently operates on a Monday to Friday and offers seven off-peak roundtrips per day. It is proposed that the new service will operate the same route and frequency with no changes;
- Service C41 currently operates on a Wednesday and Friday and offers one off peak roundtrip per day with the addition of a later return journey by request only. It is proposed that the new service will operate combined with the Service 95. Whilst the route and level of service will remain the same, the need to adjust the times of operation will be necessary. Both routes will continue to offer one off peak roundtrip per day;
- Service 46 currently operates on Monday to Friday and offers two off peak return journeys per day with the addition of two commercially operated peak journeys with no bearing on the Council. It is proposed that the new service will operate the same route and frequency with no changes;
- Service 63 currently operates on a Monday and Thursday and offers two roundtrips per day with the addition of a later return journey in afternoon. It is proposed that the new service will operate the same route and frequency with no changes;
- Service 67 currently operates on a Monday to Saturday and offers seven roundtrips per day inclusive of peak, off peak and a Home to School element with four journeys operating on a Saturday. It is proposed that the new service will operate the same timetable but with curtailment at West Meon Hut for the last weekday peak journey departing Winchester at 17:50, the first journey on a Saturday now departing West Meon at 07:57, and the final Saturday journey from Winchester departing at 17:57; and
- Service 95 currently operates on a Monday and Thursday and offers two off peak roundtrips per day. It is proposed that the new service will operate combined with the Service C41. Whilst the route and level of service will remain the same, the need to adjust the times and days of operation will be necessary. Both routes will continue to offer one off peak roundtrip per day.

## **Consultation and Equalities**

17. The tendering exercise for service 67 has been undertaken with consultation with the relevant Parishes.
18. The County Council carried out a Passenger Transport consultation in 2022 to inform the Council on how it could best implement its savings in 2023. Views were sought from users of all subsidised bus services including the services this report focusses on.
19. When designing the various lots that were tendered and drawing up recommendations for approval, consideration was given to the views expressed

in this consultation, and as such lots included an opportunity to retain existing service levels if this proved to be within budget.

20. The views of the passengers of Service 67, the only service for which changes to journey opportunities are proposed within this report, have specifically been considered at the point of tender design. 114 passengers of Service 67 responded to the 2022 consultation. When asked whether they would prefer to see a reduction in the number of times per day or days per week their service operates, the majority responded that they would prefer to see a reduction in the number of times per day the service operates. It is for this reason, one of the tendered Lots included a timetable which curtailed the number of journeys a small number of passengers could make.
21. Data shows that the main users of these services tend to belong to groups with the following protected characteristics: Age, Disability, Gender, Pregnancy & Maternity, Race, Rurality and Poverty. Therefore, the ongoing provision of the unchanged services is expected to have a neutral impact on these groups.
22. Service 67 – Due to the proposed reduction in timetable, namely the curtailment at West Meon Hut to this route, it is likely that there could be a negative impact on the protected groups identified above that travel on this portion of the service.
23. It is expected that service users which belong to groups with the following protected characteristics: Gender Reassignment, Religion or Belief, Sexual Orientation and Marriage & Civil Partnership will be neutrally impacted as there is no evidence to suggest that people with these characteristics are more likely to use public transport than those without.

### **Climate Change Impact Assessments**

24. 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.
25. These tools are not designed to be applied to public transport services and therefore are not relevant in this instance.
26. Public transport offers an alternative to individuals travelling in a private car thus can help reduce carbon emissions on Hampshire's roads.
27. Work will be undertaken to ensure these services are well publicised and promoted within their relevant communities to ensure that as many people as possible benefit from their positive climate credentials.

## **Conclusions**

28. The recommendations offer the best value which can be achieved at this time given the challenging environment surrounding public transport at the time of tendering.
29. The proposed approach within this report ensures the communities served by these services retain their local transport links which improve their access to retail, health, education and leisure facilities.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	yes
<b>People in Hampshire live safe, healthy and independent lives:</b>	yes
<b>People in Hampshire enjoy a rich and diverse environment:</b>	yes
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	yes

**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:**

- 2.1 Data shows that the main users of these services tend to belong to groups with the following protected characteristics: Age, Disability, Gender, Pregnancy & Maternity, Race, Rurality and Poverty. Therefore, the ongoing provision of these services is expected to have a neutral impact on these groups.
- 2.2 Service 67 – Due to the proposed reduction in timetable, namely the curtailment at West Meon Hut to this route, it is likely that there could be a negative impact on the protected groups identified above that travel on this portion of the service.
- 2.3 It is expected that service users which belong to groups with the following protected characteristics: Gender Reassignment, Religion or Belief, Sexual Orientation and Marriage & Civil Partnership will be neutrally impacted as there is no evidence to suggest that people with these characteristics are more likely to use public transport than those without.