



6. 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**

7. 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.
8. 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.
9. The County Council continues to enjoy a strong working relationship with all bus operators in Hampshire which not only ensures that both the Council and operators have an understanding of the challenges that each partner faces, but also that the County Council can support bus operators in Hampshire with issues such as driver recruitment. This national issue tends to have localised areas where recruitment is more difficult, several of these being in Hampshire.
10. 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.
11. 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 20 (Gosport & Fareham)**  
Lot 1 Existing timetable (Monday to Saturday)
  - b. **Service 21 (Gosport & Fareham)**  
Lot 1 Existing timetable (Monday to Friday)
  - c. **Service 11 (Gosport & Fareham)**  
Lot 1 Existing timetable (Monday to Friday)
  - d. **Service 27 (Havant)**  
Lot 1 Existing timetable (Monday to Friday)
  - e. **Service D1/D2 (Havant – Developer Contributions funded)**  
Lot 1 Existing timetable (Monday to Saturday)
  - f. **Service 7 (Blackwater Valley)**  
Lot 1 Existing timetable (Monday to Saturday)
  - g. **Service 9 (Blackwater Valley)**  
Lot 1 Existing timetable (Monday to Friday)

**h. Service 610 (Blackwater Valley – Home to School Transport funded)**

Lot 1 Existing timetable (Monday to Friday term time only)

**i. Service 23 (Blackwater Valley)**

Lot 1 Existing timetable (Monday to Saturday)

12. This report proposes that the following are awarded:

<b>Service</b>	<b>Proposed Lot to be awarded</b>	<b>Proposed New Annual Contract Value</b>	<b>Difference in service levels</b>
20	Lot 1 - 1yrs	£105,282	None
21	Lot 1 - 1yrs	£49,874	None
11	Lot 1 - 1yrs	£62,522	None
27	Lot 1 - 1yrs	£77,000	None
D1/D2 (Dev Cons	Lot 1 - 1yrs	£117,250	None
7	Lot 1 - 1yrs	£141,500	None
9	Lot 1 - 1yrs	£34,750	None
610 (HTST)	Lot 1 - 1yrs	£64,000	None
23	Lot 1 - 1yrs	£126,000	None
<b>Total value</b>		<b>£778,178</b>	

13. Due to the requirements set out in the Memorandum of Understanding between the County Council and Department for Transport (DfT) for the provision of BSIP+ grant funding, the County Council should aim to protect vital bus services for the duration of the funding period i.e., until 31 March 2025.

14. In contrast to this, the County Council is facing a severe shortfall to its budget from 1 April 2025 and will be consulting on withdrawing its discretionary functions, including public bus services, early next year. With the uncertainty of the outcome of this consultation, the decision was taken to procure the routes on a maximum tenure of 2 years with this report proposing a one-year award.

## **Finance**

15. If approved, the contracts will operate from January 2024 until January 2025 with no extension period.

16. The contracts will be funded primarily from within existing budgets, which includes various contributions as set out below. However, overall, this tendering round represents a £160,317 higher cost per annum than the previous contracts and this additional element is not covered by base budget but is instead intended to be met from grant funding.

17. Approval for the Home to School element associated with the Service 610 is in line with the statutory right imposed on Childrens Services to provide Home to School Transport and therefore the Childrens Services Directorate contribute £64,000 per annum to the cost of this service.

18. Section 106 Developer contributions to operate the Service D1/D2 amount to £117,250 per annum.

19. Additional contributions from Gosport Borough Council towards Service 11 amount to £6,613 per annum.
20. The local bus budget to support these routes equates to £377,479. The shortfall of this will be supported by LTF as per section 22.
21. LTF will support the shortfall on the local bus budget. This equates to £212,836 per annum.
22. In May 2023 the Department for Transport announced that Hampshire County Council was successful in being awarded £3.6million of BSIP+ (Bus Service Improvement Plan Plus) funding in 2023/24 with a further £3.6million due in 2024/25. In addition, the County Council is in receipt of the Local Transport Fund (LTF), a government grant provided to Local Transport Authorities (LTAs) for the provision of bus services which require local authority support, including tendered bus services. The Grant provides funding in addition to, but not as a replacement of any normal funding the LTA receives for the running of tendered bus services. The terms and conditions of this grant do not mandate a specific or minimum level.
23. Contrary to that of paragraph 23, BSIP+ funding T&C's do not permit us to use the funding to support services that are already supported by the Local Authority but instead allow us to use against other areas of the business such as infrastructure and incentives. LTF funding T&C's offer us the opportunity to use the funding to fund Local Authority supported services. Taking this into account, we will only be able to utilise the funding from LTF and not BSIP+.
24. It is proposed that the County Council will utilise any relevant and available external funding streams, such as those set out in paragraph 22 above, to meet the shortfall in budget. Following the Executive Lead Member for Universal Services giving approval to the proposed arrangements for the local administration of LTF at his decision day in July 2023, if approved this will be used as a source of funding for these services for one year.
25. As set out in paragraph 10 of this report, the operating environment for bus operators is exceptionally challenging. As a result, the County Council has been anticipating a large increase in tender prices for some time, setting this out in a number of reports which have been considered by the Executive Lead Member for Universal Services.
26. These external funding sources are finite and therefore, using them to cover this shortfall will have an impact on the availability of funding elsewhere around the County. Despite this, it is considered that utilising this funding for this purpose still represents good value for money for the Council due to the impact that reductions in these services at this time would have on passengers, particularly those with protected characteristics.

## **Performance**

27. This section outlines the new service levels on a service-by-service basis.
  - a. Service 20 currently operates as a fixed timetable service. It is proposed that the new service will continue to operate a fixed timetable Monday to Saturday.

- b. Service 21 currently operates as a fixed timetable service. It is proposed that the new service will continue to operate a fixed timetable Monday to Friday.
- c. Service 11 currently operates as a fixed timetable service. It is proposed that the new service will continue to operate a fixed timetable Monday to Friday.
- d. Service 27 currently operates as a fixed timetable service. It is proposed that the new service will continue to operate a fixed timetable Monday to Friday.
- e. Service D1/D2 currently operates as a fixed timetable service. It is proposed that the new service will continue to operate a fixed timetable Monday to Saturday.
- f. Service 7 currently operates as a fixed timetable service. It is proposed that the new service will continue to operate a fixed timetable Monday to Saturday.
- g. Service 9 currently operates as a fixed timetable service. It is proposed that the new service will continue to operate a fixed timetable Monday to Friday.
- h. Service 610 currently operates Monday to Friday on school days only with an AM journey and then a return PM journey. It is proposed that the new service will continue to operate the same.
- i. Service 23 currently operates as a fixed timetable service. It is proposed that the new service will continue to operate a fixed timetable Monday to Saturday.

### **Consultation and Equalities**

- 28. 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.
- 29. When designing the various lots that were tendered and drawing up recommendations for approval, consideration was not given to reduce the level of service following the release of the terms and conditions as set out by DfT for BSIP+ Funding. The tendering would not see a reduction or increase in service levels.
- 30. 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.
- 31. It is expected that service users who 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**

32. 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.
33. These tools are not designed to be applied to public transport services and therefore are not relevant in this instance.
34. Public transport offers an alternative to individuals travelling in a private car thus can help reduce carbon emissions on Hampshire's roads.
35. 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**

36. 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.
37. The proposed approach within this report ensures that 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

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u>	<u>Date</u>
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u>	<u>Date</u>

<b>Section 100 D - Local Government Act 1972 - background documents</b>	
<p>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.)</p>	
<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:**

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.

It is expected that service users who 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.