

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Universal Services
Date:	13 March 2023
Title:	Bus Contract – Bishops Waltham/Hedge End to Eastleigh
Report From:	Director of Universal Services

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Purpose of this Report

1. The purpose of this report is to detail the outcomes of the tender to provide a bus service between Waltham Chase/Bishops Waltham and Hedge End. The service has been tendered via the Public Bus Dynamic Purchasing System (DPS). If approved, the contract, due to be funded from the Public Bus budget at an annual maximum cost of £153,200, will be awarded for a four-year duration at a total maximum cost of £612,800. It is proposed that this contract would have the option to extend for a further two years.

Recommendation

2. That the Executive Lead Member for Universal Services gives authority to procure, spend and enter into any necessary contractual arrangements in consultation with the Assistant Director for Legal Services and Monitoring Officer for a new contract for the 49 service, as set out in the supporting report, to commence from 3 April 2023 for a period of 4 years, with the option to extend for a further two years, at an annual maximum cost of £153,200.

Executive Summary

3. This paper seeks to propose a course of action to ensure that transport services continue to support access to work, education, retail, and health for the widest section of the community, thereby supporting quality of life and wellbeing while achieving value for money.
4. The proposed tender retains an affordable level of service and takes account of any known changes to the commercial network.

Contextual information

5. 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 and therefore might be more hesitant to return to using public and community transport services.

6. 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 living, energy, staff and fuel costs have increased these costs.
7. The number 49 route was previously known as the X9/X10 and operated by Xelabus. This service provided journey opportunities between Waltham Chase, Bishops Waltham, Hedge End and Eastleigh.
8. Xelabus approached the Council in May 2022, to give notice on this contract. This came, despite previous conversations about the future of these services and the County Council's desire to extend the contracts for a further year without any change, other than an inflationary increase, in contract value until at least October 2023. Hampshire County Council offered additional funding, sourced from the one-off government Local Transport Fund grant, to retain the service.
9. Following this, it was negotiated that Xelabus would continue with the service at the same contract value but at a halved frequency. Given that this situation represented poorer value for money for the Council, plans were put in place to re-tender this service in the Spring of 2023.
10. In January 2023, Xelabus again approached the County Council to give notice on this contract with the last operational day being 31 March 2023.

Procurement

11. Contracts were put out on the Public Bus DPS and five tenders were received.
12. In order to ensure the Council received an affordable response, a number of options were included within the contractual information including:
 - A) Lot 1 was a like for like tender of the existing timetable currently provided by the incumbent operator. This included serving Eastleigh, Colden Common, Fair Oak, Horton Heath, Durley, West End, Hedge End, Botley, Bishops Waltham, Waltham Chase and Swanmore. This also included journeys at school times that conveniently fitted with the existing timetable specifically designed to meet the flows of passengers from and to Swanmore College.
 - B) Lot 2 was a heavily reduced timetable focused on off-peak times with two PM peak journeys, one being a partial 'request only' journey. This route was based on a circular design allowing users to connect with onward commercial services at a centralised hub, namely Hedge End Superstores. Areas covered in this lot included Bishops Waltham, Swanmore, Waltham Chase, Durley, West End, Botley and Hedge End. This also included journeys at school times (am and pm journeys) for eligible students only. These are students identified as eligible within the Council's Home to School Transport Policy.
 - C) Lot 3 is identical to the details in Lot 2 but with the addition of one daily roundtrip for residents impacted by the cessation of the X15 service,

previously operated by Xelabus. Despite the Council's attempts to tender an alternative service, those passengers previously using the supported X15 have been left with no service to Hedge End following Xelabus giving notice on this route in September 2022. This roundtrip would allow residents from Hamble, Bursledon, Netley and Butlocks Heath to benefit from a daily journey for shopping and onward travel.

D) Lot 4 includes the same details of that in Lot 2 and Lot 3 with a further addition of an AM peak journey to compliment the PM peak journeys. This journey would allow commuters to connect to onward journeys.

13. The tender returns for the route in Lot 1 exceeded the budget available. This was expected considering financial pressures facing the bus industry at this time.
14. Affordable bids were received for Lots 2 to 4. This paper recommends that Lot 4 is the preferred option as it offers the County Council the best value for money for the levels of service provision that would be provided. In addition, Lot 4 incorporates as much of the feedback received from both users and Parish Councils as was possible.

Performance

15. If approved this service would offer five roundtrip opportunities to Bishops Waltham, Swanmore, Waltham Chase, Durley, West End, Botley and Hedge End. Including one daily roundtrip for eligible children under the Council's Home to School Transport policy attending Swanmore College and one daily roundtrip for residents of Hamble, Bursledon, Netley and Butlocks Heath.
16. The timetable has been designed to allow for users to connect to onward journeys to Winchester, Eastleigh, Fareham and Southampton by using the wider commercially operated bus network.
17. Passengers who wished to travel further afield could access the rail station at Botley.

Finance

18. The existing annual contract cost for the X9/X10 service is £132,740.
19. If approved, Children's Services agreed to make a maximum annual contribution towards the 49 service of £43,400 through the Council's Home to School Transport budget.
20. The remaining contract cost will be met through the public bus budget up to a total maximum annual cost of £153,200.
21. The award of this contract results in an underspend against the public bus budget available, and this will be prioritised for spend in the Eastleigh area. If this were not possible, any potential underspend would be recycled into the local bus budget to help mitigate the impact of increased tender prices that the Council expects to receive over the next twelve months.
22. The contract value declared within this report includes an allowance for potential annual inflationary increases in line with the local bus terms and conditions.

Consultation and Equalities

23. The County Council undertook a Countywide consultation with residents specifically focussing on seeking views on how the County Council should implement the £800,000 proposed savings from support for passenger transport services. The consultation ran from 30 May until 24 July 2022, and in total 2,596 responses were received, of which 71 came from organisations. The sample size indicates that the consultation has reached a large number of people who might be impacted by the changes and can be considered robust.
24. Respondents showed a preference to retain the number of destinations they could travel to and instead of seeing a reduction in the number of journeys they could make. Respondents also showed a preference to retain the spread of the week services operated and instead, see a reduction to the number of times per day a service runs.
25. These principles were used when creating the timetable for the 49 service.
26. An Equality Impact Assessment has been undertaken. Running the 49 service has a positive impact on people who fall under the following protected characteristics: Age, Disability, Gender, Pregnancy & Maternity, Race, and Poverty. This is because people with these characteristics are more likely to use public transport. Therefore, the provision of this service will be a benefit to them.
27. A neutral impact has been assessed for people who fall under the following protected characteristics: Gender Reassignment, Religion or Belief, Sexual Orientation, Marriage & Civil Partnership, and rurality. This is because there is no evidence to suggest that people with these characteristics are more likely to use public transport than those without. In the case of Rurality, the proposed route does not operate in a rural area and therefore this does not apply.

Climate Change Impact Assessments

28. 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.
29. These tools were not used in relation to this report as the emissions for the provision of public transport services are not included within the tools.

Carbon Mitigation

30. Shared transport reduces carbon emissions, therefore approving the award of this contract would contribute towards the mitigation of emissions from private transport modes.

Conclusions

31. Approval to spend and enter into contractual arrangements for the contract identified within this report, with a new contract in place for 3 April 2023, would ensure the community retains this transport link.
32. The approval to spend and enter into contractual arrangements for this contract would provide the highest level of service that is affordable within the County Council's available budget.

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:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	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:

An Equality Impact Assessment has been undertaken. Running the 49 service has a positive impact on people who fall under the following protected characteristics: Age, Disability, Gender, Pregnancy & Maternity, Race, and Poverty. This is because people with these characteristics are more likely to use public transport. Therefore, the provision of this service will be a benefit to them.

A neutral impact has been assessed for people who fall under the following protected characteristics: Gender Reassignment, Religion or Belief, Sexual Orientation, Marriage & Civil Partnership, and rurality. This is because there is no evidence to suggest that people with these characteristics are more likely to use public transport than those without. In the case of Rurality, the proposed route does not operate in a rural area and therefore this does not apply.