

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

<b>Decision Maker:</b>	Executive Member for Economy, Transport and Environment
<b>Date:</b>	10 March 2020
<b>Title:</b>	Local Bus Contracts in Andover and 95/96 Service in Winchester and 49 Service in the New Forest.
<b>Report From:</b>	Director of Economy, Transport and Environment

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### Purpose of this Report

1. The purpose of this report is to detail the outcomes of tenders to provide eleven bus services in the Andover area in addition to one in the Winchester and one in the New Forest area. The services have been tendered via the Public Bus Dynamic Purchasing System. If approved, the contracts due to be funded from the Public Bus budget at an annual cost of £180,370 will be awarded for a four year duration at a total cost of £721,480. It is proposed that these contracts have the option to extend for two further years in annual increments.
2. If approved the contracts due to be funded from the developers' contributions collected in the Andover area will be awarded for a two year duration at an annual cost of £286,706 and a total contract cost of £573,412. It is proposed that these contracts have the option to extend for four further years in annual increments.

### Recommendations

3. That the Executive Member for Economy, Transport and Environment approves the award of new contracts for the Andover Villages, 5, 7/7A and 49 local bus services, as set out in this report, to commence from 6 April 2020 for a period of four years with an option to extend in annual increments until 5 April 2026 at an annual cost of £180,370 to be met from the Public Bus Budget.
4. That the Executive Member for Economy, Transport and Environment approves the award of new contracts for the 9,10,11,12,13,15,16, and 17 services, as set out in this report, to commence from 6 April 2020 for a period of two years with an option to extend in annual increments until 5 April 2026 at an annual cost of £286,706 to be met from the Developers Contributions set aside for local bus services in the Andover area.
5. That the Executive Member for Economy, Transport and Environment approves the decision to cease the subsidy provided to the Andover Town 14 service from 6 April 2020 as the service duplicates commercial provision.

6. That the Executive Member for Economy, Transport and Environment approves the award of a contract to replace the 95/96 local bus service, as detailed in this report, to commence on 27 July 2020 for a period of 4 years at an annual cost of up to £16,390 to be met from the Public Bus Budget.
7. That the Executive Member of Economy, Transport and Environment approves the award of a new contract for the 49 service to commence from 6 April 2020 for a period of 4 years with an option to extend in annual increments until 5 April 2026 at an annual cost of £7,241 to be met from the Public Bus Budget, with a contribution made from Wiltshire County Council.

### **Executive Summary**

8. 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.
9. The proposed tenders retain an affordable level of service and take account of any known changes to the commercial network.

### **Contextual Information**

#### Andover Villages Services (formerly known as Andover Cango)

10. The Cango was introduced in 2001 as part of pioneering work by Hampshire County Council following a successful bid for Government funding. The funding provided for a fleet of vehicles, with a number of innovative features, including a computer and communications system which allowed the buses to 'roam' over a wider area, so replacing a number of separate bus routes, which had each struggled to carry sufficient passengers to be sustainable. Passengers rang in to book their journey, and their bookings determined the route that Cango took with limited opportunity to simply turn up and go like a conventional bus.
11. Although innovative, and copied in other parts of the Country, the bus areas where Cango worked best did not have large numbers of potential bus users, and for a number of reasons the cost per passenger trip remained high.
12. The Andover Villages Service (the revised name for Andover Cango) now operates to a set schedule which removes the need to book and therefore saves the cost of a booking system. The Andover Villages Service operates a series of routes covering communities across a wide area.
13. The service was competitively tendered in 2018 via the Public Bus Dynamic Purchasing System and a new contract was awarded to Wheelers Travel at an annual cost of £102,170, as approved at the Executive Member's Decision Day on 17 July 2018.
14. In June 2019 Wheelers Travel gave notice on the service. A short term Single Tender Agreement was put in place until 21 March 2021 at an annual value of £79,617.
15. Traditionally Hampshire County Council has followed the approach of tendering all local bus contracts within a geographical area together to achieve maximum

efficiencies. This approach gives passengers a consistent level of service which in turn encourages growth of the local bus network.

16. In order to continue with this approach, notice was given on the Single Tender Agreement and the Andover Villages service was competitively tendered via the Public Bus Dynamic Purchasing System alongside the other local bus services operating in the Andover area.

#### Andover Town Services

17. Over recent years, Andover has seen significant housing development. As a result, the bus routes which serve the town have been boosted by the financial contributions collected from these developments. The exception to this is Service 5 (Greatley – Andover) which, although considered a town service, is funded directly from the Public Bus Budget.
18. As a direct result of the housing development, the following new routes were introduced in 2015; 10/10A, 11 (re-numbered 13), 12/12A and 14, which between them replaced the subsidised 4/4A service. All of the aforementioned routes are funded through the developer's contributions collected. In addition, existing services 15, 16 & 87(now numbered 17) are also funded through these contributions.
19. These services were operated by Wheelers Travel. Wheelers gave notice on the 10, 12 & 13 service in June 2019 resulting in a short term Single Tender Agreement being put in place until 21 March 2021. In November 2019, Wheelers made the commercial decision to withdraw from local bus operations in Andover entirely and therefore chose not to extend its contract beyond January 2020. This resulted in a second set of short term Single Tender Agreements which were put in place until 5 April 2020.
20. As detailed in paragraph 9 above, Hampshire County Council has followed the approach of tendering all local bus contracts within a geographical area together to achieve maximum efficiencies and provide a stable network. To enable the County Council to re-tender the entire network, notice was given on the Single Tender Agreements in place for the 10, 12 and 13 services, and these services have been competitively tendered via the Public Bus Dynamic Purchasing System.

#### The 7 Service

21. The 7 service (Andover – Newbury) was introduced in 2015, amalgamating a number of other routes into one service.
22. As detailed in paragraph 9, in order to achieve maximum contract efficiencies, notice was given on this contract and this service has been competitively tendered via the Public Bus Dynamic Purchasing System.

#### 49 and 95/96 Services

23. Both the 49 Service (Damerham - Salisbury) and 95/96 (East Stratton - Winchester) Services have been operated by coach companies for many years. As of 1 January 2020, coaches were required to comply with the Public Service Vehicle Accessibility Regulations (PSVAR). These regulations require coaches to be fully accessible and the operators of the service (Herrington's 49 Service and Mervyn's 95/96 service) had insufficient accessible vehicles to enable them to continue with the legally compliant provision of their respective services.

24. As a result, an interim measure was put in place for both services to allow for continuity of service, and they have now been competitively tendered via the Public Bus Dynamic Purchasing System.
25. Regarding the 95/96 service, a number of alternative options are currently being scoped which include adjusted bus service patterns and the use of Taxishare. The local member has been engaged in the development of proposals and has made suggestions which are currently being considered as part of this process. Further market testing is required to determine the best possible option within existing resources, and the final contract will be awarded for an alternative service, within the existing budget, under delegated authority in consultation with the Executive Member for Economy, Transport, and Environment. It is proposed to extend the current arrangement with the operator for a short period to allow this market testing. Any decision required to facilitate an extension to the existing arrangement will be made under existing delegated authority.

#### Link between Andover and Salisbury

26. Wheelers Travel offered a through journey from Andover to Salisbury on its 87 (now numbered 17) service. This service was jointly subsidised by Hampshire County Council and Wiltshire County Council with the Hampshire element funded through developers' contributions.
27. This link was lost when Wheelers Travel gave notice in June 2019.
28. It was the desire of the two funding authorities to explore the possibility for re-creating this link and therefore an option for the 17 service to offer a through journey was competitively tendered via the Public Bus Dynamic Purchasing System.

## Finance

29. The table below sets out the existing contract costs against the costs for the proposed contracts. The table also sets out the subsidy for passenger trip for both existing contracts and for the proposed services.

Service	Funding Source	Current contract cost	Current Subsidy per passenger trip	Proposed contract cost	Proposed contract subsidy per passenger trip
Andover Villages (C3, C4, C5, C6, C8)	Public bus budget	£79,617	£4.96	£75,037	£4.67
5	Public bus budget	£49,764	£2.64	£49,272	£2.61
	Home to School Transport	£10,344	n/a	£10,344	n/a
7	Public bus budget	£45,028	£1.06	£48,820	£1.15
9 (new service)	Developers Contributions	Currently part of the 15/17 routes	n/a	£40,231	n/a
2/2A / 10/ 11/ 12/13	Developers Contributions	£147,083	£0.98	£145,103	£0.97
14	Developers Contributions	£108,884	£1.73	£0*	n/a
15/16/17	Developers Contributions	£134,836	£2.78	£101,372 (including £7,800 for supplementary taxishare)	£2.09

<i>Services in other areas</i>					
Service	Funding Source	Current contract cost	Current Subsidy per passenger trip	Proposed contract cost	Proposed contract subsidy per passenger trip
49	Public bus budget	£2,437	£0.65	£4,996.29	£1.34
	Wiltshire County Council	£1,074		£2,244.71	
95/96	Public bus budget	£6,527 (interim arrangements)	£6.40	£16,390	N/A

\*Service to be withdrawn.

Total proposed contract cost to be funded from Public bus budget	Total proposed contract cost to be funded from developers contributions	Total proposed contract cost for 95/96 alternative service to be funded from the Public bus budget
£180,370*	£286,706	£16,390

\*including the contribution from Wiltshire County Council

30. As the tables illustrate, the Andover Villages, 5, 7, 49 and 95/96 services are all funded by the Public bus budget, and it is proposed that this budget meets the new contract costs.
31. Services 9,10,11,12,13,15,16, and 17 are funded through developers' contributions.
32. As these services have been established and operating for five years, the developer contribution funding is coming to an end. There is approximately £900,000 remaining.
33. If the proposed contracts are awarded, then there are sufficient developer contributions remaining to fund the services for a further 3 years.

34. This allows the County Council to review the revised services, set out in detail in the Performance section which follows, and where necessary, further streamline the services to ensure best value from the developers' contributions over the longest possible period of time.

### **Procurement**

35. The services identified in the table under the Finance section were all tendered via the Public Bus Dynamic Purchasing System.

36. Bids were received from four operators. One operator bid for only the 95/96 service, another for 17/87 service in addition to the 49 service and the final two operators bid for some or all of the services with the exception of the 49.

37. All bids were evaluated on the basis of 100% price.

38. This paper seeks approval to award a four-year contract for the Andover Villages, 5, 7 and 49 local bus services, funded from the local bus budget, with the option to extend for a further two years in annual increments.

39. The paper also seeks approval to award a two-year contract for the 9,10,11,12,13,15,16 and 17 services funded from developers' contributions, with the option to extend for a further four years in annual increments. This is to ensure that these services are affordable given the remaining developers' contributions.

### **Performance**

40. It is proposed that the same timetable is retained for the Andover Villages service. As the service has been previously reduced to a one bus operation and the budget available is not changing, it is proposed that no further efficiencies are made.

41. It is proposed that a similar timetable is retained for the 5 service, with a small alteration to the timings to better integrate with the operation of the other services in the area.

42. It is proposed that a similar timetable is retained for the 7 service, with a small alteration to the timings made to improve timekeeping.

43. It is proposed that a new service 9 is introduced, providing a two-hourly service between Floral Way and Andover Bus Station. This was previously served by both the 15 and 17 service.

44. It is proposed that the 10 service maintains the existing timetable and route with a slight alteration in route to encompass River Way and Pilgrims Way.

45. It is proposed that the 11 service maintains the existing timetable and route with a slight alteration to enable the service to approach the bus station from Charlton Road.

46. It is proposed that the 12 service is retimed from hourly to two hourly to better meet the levels of demand. On average, 7 passengers travel on each journey which does not justify the provision of an hourly service. By retiming the 12 to two hourly, the saved resource can be directed elsewhere within the town network.

47. It is proposed that the 13 service encompasses most of the existing 2 service. This would maintain an hourly frequency of service for the areas served.

48. It is proposed that the 14 service is withdrawn as this service runs in parallel with Stagecoach's commercial 6 service. The 14 currently operates at a 20-minute frequency, and the 6 at a half hour frequency. This meets the County Council's objectives in enabling viable commercial services to operate wherever possible.
49. It is proposed that the timetable for the 15 service provides one fewer outbound journeys from Monday to Friday. The cost of a Taxishare to replace this lost journey is £3,900pa. The combined cost of the local bus and the Taxishare is £28,762. The proposed Saturday local bus timetable would be improved in comparison with the existing provision, with three return journey opportunities each way. Passengers maintain the connection at Stockbridge, which enables them to travel between Broughton and Andover by connecting to the 16 service on a Saturday only.
50. It is proposed that the timetable for the 16 service is improved both in terms of its timings and the number of journey opportunities offered. The parishes served by the 16 service have been keen to improve both these aspects of this service for some time and would welcome these changes. It is proposed that, due to the increase in journey opportunities within the timetable, the 16A Taxishare, which provides one return journey from Winchester on Thursdays, be withdrawn, generating a saving of £2,376.
51. It is proposed that the timetable for the 17 service sees one less outbound journey from Monday to Friday. The cost of a Taxishare to replace this lost journey is £3,900pa. The combined cost of the local bus and the Taxishare is £27,406. The proposed Saturday local bus service is again improved, offering 3 return journeys, a move which will be welcomed by younger people and shoppers alike.
52. The tender prices received for the through journey between Andover and Salisbury were not considered value for money, and therefore this route does not form part of this report.
53. The cost for the provision of the 49 service has increased. As set out in the Contextual Information within this report, the service was previously operated by a Coach company whose vehicles are no longer PSVAR compliant. The 49 route was complementary to the services provided by the coach operator, which was therefore able to provide a more competitive price. However, the 49 route does not fit into the existing operating schedules of the local bus companies, and therefore there is a corresponding increase in cost.

### **Consultation and Equalities**

54. The 2018 Passenger Transport Review consultation asked respondents which they would prefer: fewer journey opportunities or a service which operated on fewer days. The outcome was that people would prefer fewer journey opportunities over the same number of days. This approach has been applied to this tendering exercise.

Overall the local bus network will see some reductions in the level of service provided: some areas will see an increased level of service on some days and a decrease on others. On the strength of the overall reduction, a potentially low negative impact has been identified for people with disabilities, older and



younger people, and for women, on the basis that people with these characteristics are more likely to use bus services. However, the overall effect of this decision will be to ensure a continuity of service within existing resources, and the revised service modes and patterns are designed to minimise the impact on all Hampshire residents, including those with protected characteristics.

## **Conclusions**

55. The proposed approach achieves the key aim of the 2018 Passenger Transport Review, as with previous reviews in 2011 and 2014, that any community which currently has a transport service will retain an essential transport link.
56. Approval to award the contracts identified within this report, with a new contract in place for 6 April 2020, ensures continuity of service. It is proposed that the Executive Member approves the award of the contracts identified within this report.

**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>	No
<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:**

Overall the local bus network will see some reductions in the level of service provided: some areas will see an increased level of service on some days and a decrease on others. On the strength of the overall reduction, a potentially low negative impact has been identified for people with disabilities, older and younger people, and for women, on the basis that people with these characteristics are more likely to use bus services. However, the overall effect of this decision will be to ensure a continuity of service within existing resources, and the revised service modes and patterns are designed to minimise the impact on all Hampshire residents, including those with protected characteristics.