

REPORT TITLE: PARK AND RIDE BUS CONTRACT

21 JUNE 2023

REPORT OF CABINET MEMBER: Cllr Learney – Portfolio Holder for Climate  
Emergency

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WARD(S): ALL

PURPOSE

The purpose of this Report is to recommend options as to how the Park and Ride (P&R) bus service could operate in future under a new contract. Approval is sought for the retendering of the Park and Ride contract as set out in the recommendations. The current contract is due to expire on 18 April 2024. This was an eight year contract which commenced in April 2016.

The park and ride service is an integral part of the Winchester Movement Strategy and supports the achievement of the Council's carbon reduction targets by providing an affordable alternative to parking within the city centre

Despite year-on-year growth on the P&R from 1993 to 2019, the lasting effects of the pandemic continue to impact working patterns and usage to the extent that passenger levels and associated income from passengers remain at less than 60% of pre-covid levels, whilst the operational costs (mainly the bus service) continue to increase due to fuel and driver costs. This has long term implications for the financial operation of the P&R service and will influence the choice of vehicle to operate the service for the next contract period.

RECOMMENDATIONS:

1. That the **Strategic Director** be given delegated authority to seek tenders based on options as outlined in the report, and to agree tender documentation to be used pursuant to *the Public Contracts Regulations 2015*, selection criteria, and the detailed evaluation criteria for the award of the contract based on a 80% price: 20% quality ratio. and that the tender be advertised as set out in full in Appendix A and include the following key provisions:

a) Vehicles should be specified as new at the beginning of the contract with Zero Emissions, a minimum capacity of 70 passengers and a maximum length of 12.5 metres.

b) To include a tender option that allows for Euro VI standard buses (reuse of the existing or same specification buses) so that the comparison cost of a Zero emission vs conventional bus can be determined. This option will also include use of HVO as an alternative fuel.

c) To include tender options to allow for a contract period of 8 years in the case of Zero Emission Buses and up to 5 years in the case of conventional buses.

d) To allow for a peak time vehicle frequency of 10 minutes (7 bus operation) and off-peak (and Saturday) frequency of 15 minutes (4 buses).

f) To operate the P&R service six days a week from 0625 to 1930 (Monday to Friday) and 0700 to 1930 (Saturday).

g) In the in the case of a Zero Emission bus contract the maximum age for the vehicles at the end of the contract be 8 years. In the case of a Euro VI bus contract the maximum age for the vehicles at the end of the contract be 13 years

h) To run a 'linked' bus route, connecting all the City's Park & Ride sites as detailed in Appendix E.

i) To allow for enhanced levels of operation during the five weeks before Christmas including provision of a Christmas Sunday shuttle service.

j) In the case of a Euro VI standard bus contract the notice of termination be set at a level of six months to allow for a scenario where WCC is successful in obtaining grant funding for a replacement Zero Emission bus contract.

2. That the outcome of the tendering process be reported to Cabinet in Autumn 2023 for approval to award the contract and noting that this will need to be considered in relation to the council's overall budget position and in context of car parking charges.
3. That the tendering process recommended in the previous recommendations is subject to achieving agreed heads of terms with Hampshire County Council for lease renewals for South Winchester, Barfield and St Catherine's Park and Ride car parks.
4. That the Corporate Head of Asset Management be authorised to enter into lease renewals for South Winchester, Barfield and St Catherine's Park and Ride car parks and negotiate terms.

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

#### 1.1 Tackling the Climate Emergency and Creating a Greener District

The city council has declared a Climate Emergency and addressing the climate crisis and reaching carbon neutrality is one of the city council's overarching priorities. The procurement of Zero Emission buses to operate the Park & Ride service could be a key part of the council's strategy, though this must be tempered against the need to present a balanced financial strategy for the authority.

The existence and operation of a Park & Ride scheme is already a key part of the council's desire to assist in tackling the Climate Emergency and Creating a Greener District in that it minimises the car based trips with associated emissions and congestion inside the city centre.

#### 1.2 Vibrant Local Economy

The operation and procurement of the Park and Ride bus contract is a core part of the councils parking and movement strategies. It enables cost effective parking and access to the city for a range of trips and uses including employment, social, health, education and leisure. The P&R now makes up more than 40% of the city's parking stock.

#### 1.3 Living Well

Similar to the need to support and have a Vibrant Local Economy the Park & Ride offers access to a range of destinations which include employment, leisure and shopping.

### 2 FINANCIAL IMPLICATIONS

2.1 The majority of P&R services in operation around the UK do so with an element of public subsidy, most are subsidised by other income, normally this has been off-street city centre parking income. This had been the case in Winchester for much its operational history from 1993 to 2018, however year on year growth in passengers and demand up to 2019 meant that by that time the service income was covering its operating cost.

2.2 The biggest cost element in the operation of the P&R service is the contracted bus service. This is largely a fixed cost as any P&R needs to offer a reasonable minimum level of bus frequencies, this minimum has been shown to be 10 minutes at peak times and 15 off-peak. Previous levels of operation had offered higher levels of bus service (with buses up to every 7 minutes at peak times) to cope with the passenger demands prior to the pandemic. In recent years the council, in cooperation with Stagecoach, have reduced the level of buses serving the park and ride back to levels last seen in the 2010 to 2016 contract. This has minimised the operational cost to the council in the

last 3 years, but this also means that further operational cost savings cannot be made if a core service level is to be retained.

- 2.3 The table below summarises the key operational costs associated with the P&R operation over the last five years. It also estimates the likely costs for the current and next (2024/25) financial year, if a conventional bus contract is continued on the same operational basis as is currently used. The full details of costs involved are found in Appendix A (to follow)

**Summary of current and future estimated costs P&R operations 2018 to 2025**

	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Operational costs	£ 179,048	£ 191,569	£ 212,625	£ 261,591	£ 301,090	£ 331,199	£ 351,071
Bus Contract costs	£ 978,310	£ 1,001,701	£ 1,004,751	£ 956,749	£ 963,887	£ 1,060,276	£ 1,219,317
Total Costs	£ 1,157,358	£ 1,193,270	£ 1,217,376	£ 1,218,340	£ 1,264,977	£ 1,391,475	£ 1,570,388
Total income	-£ 1,395,643	-£ 1,245,342	-£ 301,702	-£ 793,804	-£ 974,275	-£ 1,067,166	-£ 1,128,474
<b>Subsidy (loss) / -£ Surplus</b>	<b>-£ 238,285</b>	<b>-£ 52,072</b>	<b>£ 915,674</b>	<b>£ 424,536</b>	<b>£ 290,702</b>	<b>£ 324,309</b>	<b>£ 441,914</b>

- 2.4 The table shows that as a ‘Do Minimum’ the P&R service is likely to require an ongoing level of support funding from the city council. The figures for 2023/24 include a bus contract inflationary (CPI) uplift of 10.4%, whereas the figure for 2024/25 allows for a 15% re-tender price increase due to increased costs in the bus industry. The latter figure could be significantly different (higher) but can only be established through a retendering exercise. When tender prices are known, options for revised P&R pricing can be considered as required to minimise the level of financial support from the city council, and such options can be presented to cabinet in autumn 2023. Other costs are assumed to increase by inflation of 10% for 2023/24 and 6% for 2024/25
- 2.5 The city council has been successful in obtaining financial support through the Covid Bus Subsidy Support Grant (CBSSG). Over the last three years this £1.25million grant has largely supported lost income from the P&R operation and for clarity is not shown in the table above. In the case of the P&R, this grant support has now come to an end and all future financial models will need to reflect how much support the P&R would have needed over the last three years and will need in the future.
- 2.6 The pandemic had a massive immediate and ongoing impact to the P&R passenger numbers as a result of trend towards hybrid working, which has had a direct impact on income. The table below shows how the P&R had grown to carry over a million passenger trips per annum in the years before the pandemic and whilst there has been some growth in recent years the levels are still only at 56% of Pre pandemic levels.

<b>Passenger trips in financial year</b>					
<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>

957,428	1,123,999	1,124,839	170,164	504,785	631,184
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- 2.7 The reduced level of passengers will continue to affect income from paying P&R passengers. Whilst operational costs have increased and are likely to continue to do so, the required annual subsidy has also increased and will likely also continue in the same vein. In future the increasing operational cost of P&R buses due to increases in the CPI along with suppressed passenger numbers could mean an increasing economic burden on the council's finances.
- 2.8 The most significant factor in the immediate future operation of the Park and Ride service is the decision whether or not to use Zero Emission buses. Only by undertaking a re-tendering exercise will these costs be established including the whole life cost of the buses and the required infrastructure to be able to run them effectively. The results of the retendering exercise will be reported back to Cabinet in autumn 2023 which will help to determine whether zero emission buses are affordable. It can be reported that a recent 4-week trial of an electric bus on the park and ride service worked well operationally.

### 3 LEGAL AND PROCUREMENT

- 3.1 The contract will be procured in accordance with the Public Contracts Regulations 2015 (PCR2015) and the council's Contract Procedure Rules with support from the Procurement Team.
- 3.2 It is proposed that the open tender procedure be used, whereby a specification is prepared, and a public notice placed on Find a Tender Service (FTS), and on Contracts Finder, inviting suitably qualified operators to submit tenders. These will then be evaluated on the basis of a price:quality split. In 2015 the price:quality split was 80:20 with the 'quality' element assessed using a 'Quality Questionnaire' and it is recommended that this ratio is used again for this new tendering exercise.
- 3.3 This is recommended to ensure that an appropriate focus is placed on 'Price' due to the current financial pressures faced by bus operators and local government finances. 'Quality' remains an important consideration in the operation of a park and rides service but it is felt that as in this case where the service and vehicles are specified it can be adequately assessed using a 20% allocation for the scoring. It is therefore suggested that the 20% quality mark be awarded on the following four categories: compliance with tender specifications; delivering an effective service; customer focus; Sustainability & environmental issues.
- 3.4 Once tenders have been evaluated, the results will be reported to Cabinet for a decision on the award of the contract, and consideration of any financial implications arising from the tenders and options.

### 4 WORKFORCE IMPLICATIONS

- 4.1 The tendering process will be supported by existing staff resources.

## 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 Currently the City Council has a Tenancy at Will from HCC for the three park and ride sites which can be ended by HCC on very short notice. WCC does not have the legal right to request new leases from HCC. New long term HCC leases for the HCC owned park and ride car parks are required to be completed before a new bus contract can be entered into. This is currently being agreed with the county council.
- 5.2 Prior to 2020 HCC utilised their own private staff car park adjacent to the public P&R car park. HCC then made an annual £100k payment for HCC staff at this car park to utilise the P&R buses, since the pandemic this arrangement has stopped and the associated support income has ended.

## 6 CONSULTATION AND COMMUNICATION

- 6.1 On-going consultation and discussion is undertaken with the main users of the Park and Ride including the Hospital, the University and the county council. All of whom have their own and established use patterns and desires for future changes and improvements to the operation. Most of the changes that users seek would require additional costs to the council (such as later and more frequent buses, and reduced parking charges) without any guarantee of additional income and therefore such changes have had to be balanced against the council's limited financial situation.
- 6.2 Discussions with the Hospital in 2021 had identified their need for some level of evening P&R bus provision for Staff returning to South car park after the normal end of service. The hospital has funded an experimental and limited extension (2 buses per hour from 1930 to 2130 – from the Railway Station to South car park only). Recent surveys show that these buses were on average only carrying 2 passengers per trip and therefore would require unacceptable levels of subsidy if WCC were to take on such an undertaking. Evening operation of the P&R is discussed further in section 11.
- 6.3 Regular communications and contract meetings are held with Stagecoach (the incumbent operator) as well as alternative potential bus operators in the vicinity. Whilst one local operator (Bluestar - which is part of the Go Ahead bus group) has consolidated their operations in Eastleigh and Southampton, another (First Bus) has withdrawn local operations from Southampton. This change potentially reduces the local competition for any future P&R bus contract.
- 6.4 Passenger surveys have been carried out in both 2013 (prior to the last retendering exercise) and again in 2018. These showed that the key journey patterns as shown below

<b>Passenger destinations from SOUTH 2018</b>		<b>Passenger destinations from East 2018</b>	
Hospital	46%	Broadway	40%

Westgate	39%	M&S	12%
Railway	4%	Jewry St	13%
City Road	3%	City Road	6%
North Walls	1%	Railway	4%
Broadway	7%	Westgate	15%
		Hospital	10%

- 6.5 Users from the East car parks have a diverse range of destinations, where as those from South (and Pitt) are focused on the Hospital and HCC/Westgate.
- 6.6 Some changes to journey patterns have been experienced post pandemic with a reduced the proportion going to Westgate (due to HCC staff hybrid working) and increased the proportion from South and Pitt car parks to the Hospital (increased relative proportion of University and Hospital users). Also P&R use in conjunction with the railway has halved since 2018.

## 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The Park & Ride bus operation is a key part of the council's movement and parking strategies in that it seeks to encourage visitors and drivers to leave their vehicles outside the city centre and complete their journey on a bus. That action alone seeks to reduce and minimise the vehicular pollution and congestion within the city centre and on the approach roads and improves conditions for cyclists, pedestrians and residents.
- 7.2 Furthermore, the emission specification of the buses in operation on the P&R service can affect the air quality within the city centre. The last twenty years of P&R bus operation has seen the buses deliver cleaner and cleaner operations. In particular the progression of much of Winchester's bus fleet to Euro VI emission standards has helped minimise the NOx emissions which had contributed to the declaration of an Air Quality Management Area for Winchester
- 7.3 Conventional fuels (diesels) have now almost reached their optimum, but in some respects, this does not meet the ideal of 'Zero Emission' vehicles. Retendering of the bus service will compare both vehicle types and members will need to evaluate the cost implications of a 'Zero Emission' choice. It should be noted that Euro VI diesel buses are still the most advanced diesel bus available.
- 7.4 Until recently there had been government funding in the form of first OLEV (Office for Low Emission Vehicles) and then ZEBRA (Zero Emission Bus Regional Areas). Both of these funding schemes had been designed to help Local Transport Authorities (LTAs) and Bus Operators to procure Low / Zero Emission buses with financial assistance to offset the additional costs over conventional buses. In simple terms these grants provided up to 75% of the increased costs associated with Electric Buses with the LTA and bus operator sharing the remaining burden. The ZEBRA scheme has been suspended by the Government, and it is not clear if and when this will be resumed. Without

additional support the costs of transition to Zero emission buses is going to be very expensive and many bus operators are reviewing their intended plans to develop carbon neutral operations. It is also important to note that the city council is not an LTA and could not lead on a ZEBRA bid, which would have to be done in partnership with the county council and local bus operator.

- 7.5 Hydro-treated Vegetable Oil (HVO) fuel does provide a further option to reduce carbon emissions produced by diesel buses. It is recommended that this is included as a tender option which can then be evaluated alongside the other options.
- 7.6 The most recent information from the bus industry suggests that future announcement of Government funding and support for the bus industry will be made in the summer. This will hopefully provide an opportunity to seek funding to support the provision of zero emission, but the timing and success of a bid is still uncertain and as such the council needs a short-term option to allow for change in the future as and when this arises.

## 8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 Fully accessible buses will be specified in accordance with the current contract. No route changes are planned and frequencies will remain as they have been for the past two years. There are no changes in bus stop locations. Real time passenger information will continue to be provided along the route. Customer feedback is regularly monitored and is mainly about bus delays due to incidents and or congestion. As such we do not foresee any equality issues at this stage. Appendix F details the Equality Impact Assessment (EqIA) for this project.

## 9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None.

## 10 RISK MANAGEMENT

- 10.1 There is a risk in that the undertaking of a new tender process for a P&R service results in a contract considerably more expensive than the current level particularly in times of high inflation and fuel costs. This risk is minimised as far as possible by allowing for a tender specification that includes options largely similar to what is currently operated. The optimum / desirable operation using zero emission buses is likely to require a significant increase in public subsidy and without any certainty of Government support funding this represents a high financial risk.
- 10.2 Another significant risk is that the undertaking of the tender process may be that the current operator perceives that there is likely to be negligible



competition from alternative operators and therefore increases cost in a disproportionate manner in order to maximise profits from the operation.

- 10.3 A full financial evaluation and appraisal can only be made once tenders have been submitted. As any new contract will not start until April 2024 this does allow officers' time to develop funding mechanisms to off-set some of the price increase.

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
Financial Exposure		
Exposure to challenge  Options within a procurement process increase the risk of a potential challenge	The tender documents will be clear on the evaluation award methodology and how the decision will be made on the preferred option (conventional fuel or alternative).	Priced options allow for a fully informed decision to be made.
Innovation  Use of zero emission buses	Electricity supply issues.	Work with HCC on Zebra bid if scheme reopens
Reputation  Achieving carbon reduction targets	Risk of non-affordability for zero emission buses. Government Zebra funding scheme currently suspended.	May need to increase parking tariffs to offset additional costs.
Achievement of outcome		
Property Leases	New leases being agreed with the county council for main park and ride car parks.	
Community Support Happy customers	No route changes proposed. Bus levels and frequencies suggested have been in operation for the past 2 years and working well matching current passenger numbers.	
Timescales	The timetable allows for	

	retendering.	
Project capacity	Internal project team established	
Other		

## 11 SUPPORTING INFORMATION:

### 11.1 Background

11.2 The provision for a network of Park and Ride (P&R) sites surrounding Winchester was first adopted in the Winchester Movement and Access Plan (WMAP) developed by both the City and County Councils in the early nineties and later was established as a key feature of the Winchester Town Access Plan (WTAP) from 2005 to 2017 and is now a core part of the City of Winchester Movement Strategy.

11.3 The first Park and Ride site at St Catherine's (including Barfield) was opened in 1993 with approximately 300 spaces and was subsequently expanded in 2004 to 785 vehicles. In April 2010 the 'South' car park was opened increasing the overall capacity to 1650 spaces. In Summer 2015 a further 200 spaces at Pitt took the total to 1850 spaces. The P&R operation now accounts for over 40% of the public car parking provision in Winchester and actively supports some of the cities key employment providers including the County Council, city council, University and Hospital

11.4 The current Bus contract began on 19 April 2016 and is due to expire on 18 April 2024. The service has been successful in accommodating large numbers of commuter vehicles, which would otherwise exacerbate peak hour congestion in the city and more recently facilitating the development of Winchester's shopping and visitor experience, along with special events such as the Christmas Market.

11.5 The recommendations have been informed by working with a consultancy firm appointed jointly by the city and county councils (City Science (CS)) in reviewing the P&R operations. Whilst the work undertaken suggests that the service works well, some options recommended represent an evolution of Winchester's Park and Ride facility rather than radical change to its operation.

11.6 No route changes are recommended but a lower level of bus service is proposed reflecting the lower level of people currently using the service which has been operating successfully for the past two years.

11.7 There is however one key option for significant modifications to the P&R operation which should be included within the tender options. This relates to the use of Zero Emission Buses as opposed to the current conventionally (diesel) fuelled Euro VI buses. At the current time the costs of requiring a

Zero Emission bus contract cannot be estimated and this can only be determined by undertaking a tendering process which includes options for both types of buses which will show actual costs.

11.8 The primary difficulty with progressing a zero-emission bus contract at the current time is the likely additional cost burden to the council without the assistance from central government in the form of support funding. At the current time the central government funding support scheme to assist with the procurement of Zero Emission buses (Zero Emission Bus Regional Areas (ZEBRA)) is not accepting bids.

11.9 In order to evaluate the actual additional cost of a Zero Emission Bus contract it is necessary to complete the tendering process with alternative bus options that allow for conventional buses and that should a conventional bus contract be progressed it would retain options for an early termination

should support funding for Zero Emission buses be available.

Passenger trips on P&R buses						
year	2017	2018	2019	2020	2021	2022
total passenger trips	964,119	1,072,054	1,155,316	373,962	414,025	601,659
Average (Mon-Fri) Daily Passenger Trips	3,444	3,850	4,094	1,391	1,455	2,113

This

will also allow for the required lead in times for the supply of new buses along with the required infrastructure provision.

11.10 Passenger numbers (and related income) had experienced year on year growth until 2019. With successive bus contracts specifying more and more services to accommodate demands. However, the pandemic and subsequent changes in working practices has had a very detrimental effect on passenger numbers and passenger levels are now below that level seen ten years ago. The table below shows some key data relating to P&R passengers carried and the impact of Covid in 2020 and subsequent years. The graph in Appendix C also shows both the growth of passengers and the impact of the pandemic.

Average (Sat) Daily Passenger Trips	1,902	2,088	2,303	537	965	1,572
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- 11.11 A full timetable for Tender and decision making programme is found at Appendix B. A report back to Cabinet in the Autumn on tendering results, contract award end of 2023, new contracts starts April 24.
- 11.12 Over the last year and more recently working with City Science a number of different options for operation of the P&R have been developed, some of which are now being built into the tender specification as set out below. The main consideration, which also reduces costs, is to reduce the bus frequency from the current contracted level to better match demand. Other changes will be reviewed and incorporated into the future operation of the P&R service as they do not directly affect the bus contract element of the P&R service.
- 11.13 There are several key elements in the specification of the bus contract to operate as part of the Park & Ride service -
- a) Vehicle (bus) size and passenger capacity
  - b) Timetable / Frequency of buses during the day
  - c) Duration (hours of operation of the bus service)
  - d) Bus Fuel / Emission characteristics (Zero Emission Vs Diesel)
  - e) Route choice of buses serving the P&R car parks
  - f) Additional services to meet times of enhanced demand (XMAS)
  - g) Duration and Termination details of the contract
- Each of these elements will be discussed in turn in order to inform how it is recommended to be specified in the tender specification.
- 11.14 Vehicle (bus) size and passenger capacity – The buses used in Winchester’s P&R have traditionally been single decked. A 12metre long single deck vehicle can accommodate in excess of 75 passengers at peak times, whilst as a ‘double’ deck can increase this to over 100 passengers - the additional capacity is off-set by the need to run additional buses to maintain the same frequency/timetable due to slow loading/unloading times and therefore any additional capacity is offset by additional contract costs. It is therefore

recommended to retain the existing criteria of a 12metre (approximately) long single deck vehicle that can accommodate in excess of 75 passengers with a minimum provision of 42 seats as this can provide seated travel for at least 85% of all journeys.

- 11.15 The Timetable / Frequency of buses during the day – In conjunction with the capacity of the individual buses, the timetable (frequency) of the buses dictates the overall capacity of the P&R service. For example a ten minute frequency (six buses per hour) allows for a maximum theoretical capacity of 450 passengers per hour. This is more than current demands for either 'South' or 'East' and therefore is the suggested level of peak hour operation. In theory a slightly lesser level of service could be sufficient to meet passenger demands, but evidence from P&R operations throughout the UK shows that a ten minute peak time frequency and fifteen minute off-peak (and Saturday) operation is needed to meet the expectations of those who use the service and is therefore recommended. It would also allow for an element of growth as passenger numbers have grown, albeit slowly, post pandemic. It should also be noted that this provision is lower than was specified for the contract in 2016 onwards and therefore should help minimise cost of the new contract cost.
- 11.16 Duration (hours of operation of the bus service) - The current hours of operation are from approximately 0630 to 1930 hours this has been developed and refined over the last 18 years. From 2010, upon commencement of the bus contract serving the (then new) South car park, the bus service operation included an evening bus service up to 2130 hours. The evening services have been subsequently cut; first to 2045 and then to 1930 this has been done in response to the monitoring of passenger levels which showed negligible use of the evening buses. The option of once more including an evening operation has been considered and dismissed as this would increase tender costs by an estimated £100,000 to £150,000 per annum (depending on hours and frequency of bus operation) with little additional income.
- 11.17 Discussions with the Hospital had identified their need for some level of evening P&R bus provision for Staff returning to South car park after the normal end of service. The hospital has funded an experimental and limited extension (2 buses per hour from 1930 to 2130 – from the Railway Station to South car park only). Recent surveys show that these buses were on average only carrying 2 passengers per trip and therefore would require unacceptable levels of subsidy if WCC were to take on such an undertaking. It is therefore proposed to retain the hours of operation as currently specified.
- 11.18 Bus Fuel / Emission characteristics (Zero Emission Vs Diesel) – There are clear city council aspirations for Zero Emission bus operations and therefore Tender options will be sought for such operations. Alternative tender options will also be sought for conventional buses so as to enable a cost evaluation to be made. It should be noted that the contract specification should be for Zero

Emission rather than 'Electric' as the bidding operator may choose to provide Hydrogen (also Zero Emission) powered vehicles.

11.19 Route choice of buses serving the P&R car parks – Prior to the commencement of operations serving the South car park extensive work was undertaken to review a number of different route options for the park and ride buses. Ultimately the decision was taken to operate a linked service whereby all buses serve all park and ride car parks and all key destinations both in the city centre and on Romsey road. This has proved to be an effective way of operating the service as passengers can use any car park to access any destination served. This was strongly supported by key stakeholders particularly the use of Romsey Road to serve the University and Hospital directly.

Recent work has reviewed a number of alternative route option scenarios, however these have shown to offer as many disbenefits as benefits for the regular users whilst at the same time they would create a very difficult to understand operation for ad-hoc and occasional users. It is therefore proposed to retain the current route choice operation. The detailed routing is set out in appendix E.

11.20 Additional services to meet times of enhanced demand (e.g. at Christmas) - Experience of passenger demands has shown that we need to operate an enhanced (10-minute) frequency throughout the day for a five-week period running up to Christmas can accommodate the extra passenger demand. In addition a Sunday service for Christmas is operated as a shuttle solely from the east car parks. This level of provision will be required in the contract specification.

11.21 Duration and Termination details of the contract - The current contract is an eight-year contract which is the maximum permissible for a bus contract the long length has enabled the incumbent operator to provide best value for money it is therefore recommended that should an option for zero emission buses be sort a similar length contract be specified. If members are minded to opt for a conventional or diesel bus contract then it is suggested that a shorter bus contract be sought and in order to allow for a subsequent transition to zero emission buses this contract have a six month notice of termination.

11.22 The Full tender specifications have been informed through the sections 11.9 to 11.15 above and are set out at Appendix D.

- a) *Vehicles should be specified as new at the beginning of the contract with Zero Emissions to comply with requirements for ZEBRA funding*
- b) *Buses should accommodate a minimum capacity of 75 passengers and have a minimum length of 11.8 metres and a maximum length of 12.5 metres.*
- c) *To include a tender option that allows for Euro VI standard buses (re use of the existing or same spec buses) so that the comparison cost of*

*a Zero emission vs conventional bus can be determined. This option will also include use of HVO as a cost comparator.*

*c) To include tender options to allow for a contract period of 8 years in the case of Zero Emission Buses and 5 years in the case of conventional buses.*

*d) To allow for a peak time vehicle frequency of 10 minutes (7 buses) and off-peak frequency of 15 minutes (4 buses).*

*f) To operate the P&R service six days a week from 0625 to 1930 (Monday to Friday) and 0700 to 1830 (Saturday).*

*g) In the in the case of a Euro VI bus contract the maximum age for the vehicles at the end of the contract be 13 years*

*h) To run a 'linked' bus route as currently operated, connecting all the City's Park & Ride sites as detailed in Appendix E.*

*i) To allow for enhanced levels of operation during the five weeks before Christmas including provision of a Christmas Sunday shuttle service*

*j) In the case of a Euro VI standard bus contract the notice of termination be set at a level of six months to allow for a scenario where WCC is successful in obtaining grant funding for a replacement Zero Emission bus contract*

- 11.23 A whole service review was last undertaken in 2014/15 prior to the last bus service retendering exercise. It had been intended to repeat the review prior to the next retendering but the impacts and changes post pandemic have lasted considerably longer than originally anticipated. The operational base and passenger demands have been set back to levels last experienced over ten years ago and therefore there would be little to be gained from a widespread review and it was considered prudent to not make radical alterations especially as past consultations had given the general message is that users consider the service works effectively and does not therefore need radical changes made to it.
- 11.24 Regular operational meetings are undertaken with the incumbent operator; Stagecoach, who it is considered have proved to be a reliable and efficient service provider and most importantly have been quick to respond to any issues relating to the operation of the service.
- 11.25 If the recommendations of this report are agreed, then the new Park and Ride bus contract will run consecutively from the existing contract and it will not be necessary to serve notice of termination on the current contract. The aim is for the new contract to become operational in April 2024. In order to meet this deadline the new tender will need to be awarded by the end of November 2023. However this timescale would not allow for the procurement of new zero emission buses and any contract that requires such an operation would need to allow a reasonable transition time for such a purchase.
- 11.26 Conclusion
- 11.27 Overall, the existing operation works well based on the experience of running the service for the past 13 years benefiting over 1 million passenger trips each year. The recommendations set out in this Cabinet paper represents an

evolution of the service which is intended to improve the efficiency of its operation and offer options that minimise the cost to the council. The overarching objectives are to grow the use of the facility, which benefits those who visit and work in Winchester, as well as contributing to the improvement of city centre environment and its economic vitality.

- 11.28 The provision of the P&R bus service supports the Council's adopted Parking and Access Strategy and the Winchester Movement Strategy. In addition any anticipated city centre redevelopment or reduced car parking availability in the town will need the support of a good P&R service.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 The Park and Ride service operates from two main car parks owned by Hampshire County Council and leased to the city council. In previous years the County Council had assisted in the operation of the P&R service, and for some time had shared the financial support obligations necessary to run the service. With county council staff mainly not working in the office they are no longer contributing to the cost of the bus service and furthermore income from users visiting the county council offices has diminished. A key option would be to hand back the operation of the P&R service to the county council rather than the city council subsidising its cost. This option is not favoured despite the ongoing and increasing costs of the service as it felt that the off-street parking services should be managed in an integrated and coordinated way so as to deliver the Council's movement strategy. .
- 12.2 As part of the background work carried out, some of which was in conjunction with City Science, a number of operational options were considered and dismissed. These were discussed within the section 11 above as were considered to be variations rather than options.

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

CAB2683 - Park & ride Tendering, Operation & Service Review - 15 April 2015

CAB2130 - Park & Ride Operation Review – 16 March 2011

CAB2240 - Car Parking Charges & Operation Review – 9 November 2011

#### Other Background Documents:-

None

### APPENDICES:



Appendix A: Full P&R financial details 2018 to 2024

Appendix B: Report and Tender Programme

Appendix C: Graph showing changes in P&R ticket sales 2018 to 2022

Appendix D: Full Detailed proposed Tender Specification & Frequency Details

Appendix E: Bus Route Details

Appendix F: Equality Impact Assessment (EqIA)

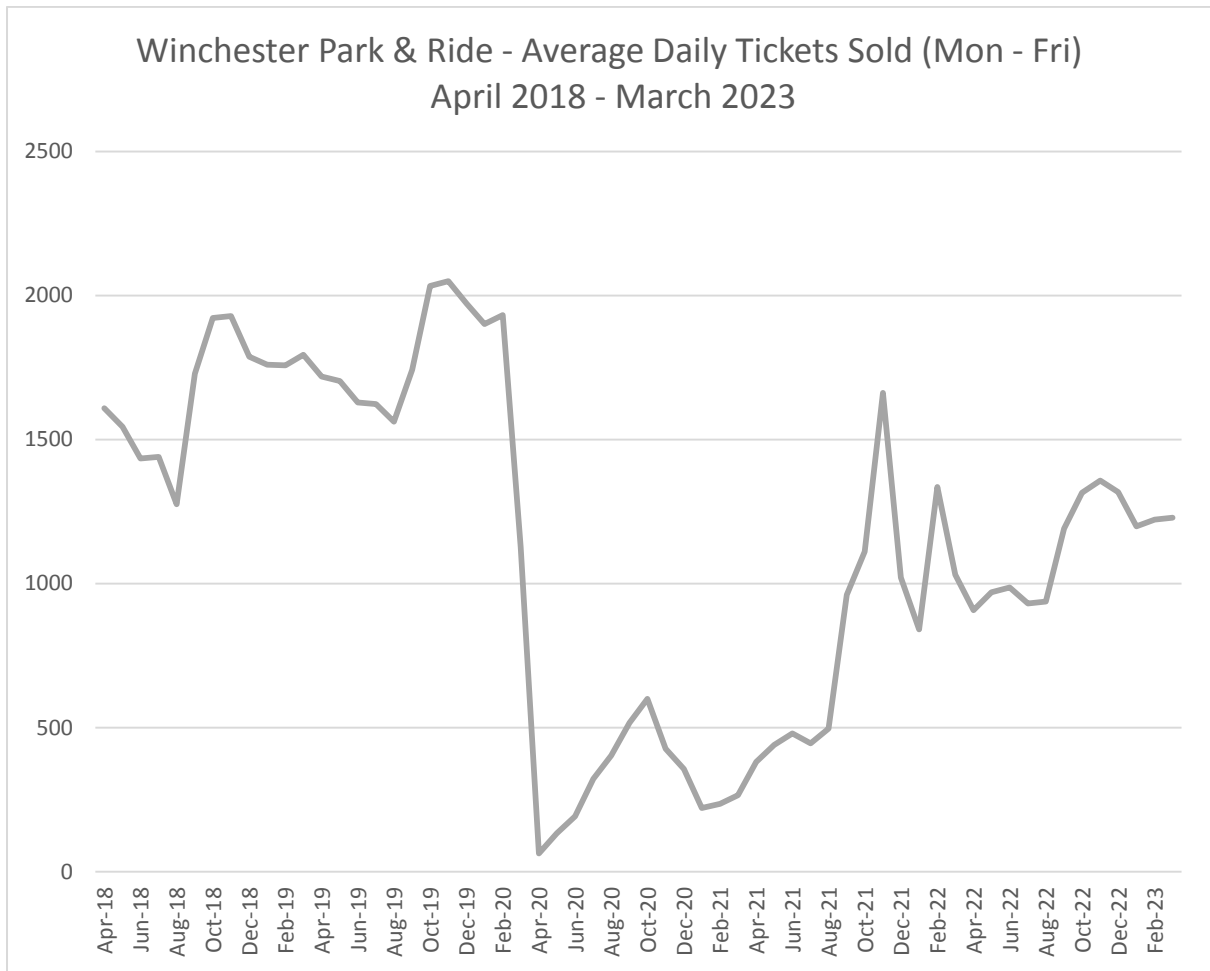
## Appendix A: Full P&R financial details 2018 to 2024

Park & Ride - Financial Details	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Costs of Operation</b>							
Utilities	£ 9,597	£ 10,894	£ 10,166	£ 17,335	£ 26,871	£ 29,558	£ 31,332
NNDR	£ 150,672	£ 154,046	£ 156,500	£ 157,299	£ 178,142	£ 195,956	£ 207,714
Maintenance	£ 1,002	£ 8,939	£ 5,132	£ 18,410	£ 28,343	£ 31,177	£ 33,048
Support Services	£ 17,777	£ 17,690	£ 40,827	£ 68,547	£ 67,734	£ 74,507	£ 78,978
<b>operational costs</b>	£ 179,048	£ 191,569	£ 212,625	£ 261,591	£ 301,090	£ 331,199	£ 351,071
Bus Operator costs (Stagecoach)	£ 978,310	£ 1,001,701	£ 1,004,751	£ 956,749	£ 963,887	£ 1,060,276	£ 1,219,317
<b>Total costs</b>	<b>£ 1,157,358</b>	<b>£ 1,193,270</b>	<b>£ 1,217,376</b>	<b>£ 1,218,340</b>	<b>£ 1,264,977</b>	<b>£ 1,391,475</b>	<b>£ 1,570,388</b>
<b>Income - Ticket sales</b>							
Car parking fees	-£ 818,819	-£ 624,410	-£ 76,287	-£ 197,300	-£ 195,813	-£ 215,394	-£ 228,318
Phone Parking	-£ 300,522	-£ 391,977	-£ 128,284	-£ 500,791	-£ 717,274	-£ 789,002	-£ 836,342
Season Tickets	-£ 130,946	-£ 83,599	-£ 28,443	-£ 9,525	-£ 15,832	-£ 17,415	-£ 18,460
Rent	£ -	£ -	-£ 23,332	-£ 40,832			
HCC use of P&R tickets	-£ 100,000	-£ 100,000					
<b>P&amp;R income</b>	<b>-£ 1,350,287</b>	<b>-£ 1,199,986</b>	<b>-£ 256,346</b>	<b>-£ 748,448</b>	<b>-£ 928,919</b>	<b>-£ 1,021,811</b>	<b>-£ 1,083,120</b>
<b>Income - Grants</b>							
dft BSOG grant	-£ 45,356	-£ 45,356	-£ 45,356	-£ 45,356	-£ 45,356	-£ 45,355	-£ 45,354
<b>P&amp;R grant income</b>	<b>-£ 45,356</b>	<b>-£ 45,356</b>	<b>-£ 45,356</b>	<b>-£ 45,356</b>	<b>-£ 45,356</b>	<b>-£ 45,355</b>	<b>-£ 45,354</b>
<b>Total income</b>	<b>-£ 1,395,643</b>	<b>-£ 1,245,342</b>	<b>-£ 301,702</b>	<b>-£ 793,804</b>	<b>-£ 974,275</b>	<b>-£ 1,067,166</b>	<b>-£ 1,128,474</b>
<b>Subsidy (loss) / -£ Surplus</b>	<b>£ 238,285</b>	<b>£ 52,072</b>	<b>£ 915,674</b>	<b>£ 424,536</b>	<b>£ 290,702</b>	<b>£ 324,309</b>	<b>£ 441,914</b>

## **Appendix B: Report and Tender Programme**

- June 2023 - Cabinet approval to seek Tenders, along with Contract and Operational details
- June / July 2023 – WCC legal & procurement develop tender documents
- August 2023 - Seek tenders (thirty day period needed TBC)
- September / October 2023 – Tenders returned and evaluated in accordance with published evaluation criteria.
- October / November 2023 – report to Cabinet - Note October 17 Cabinet will require a compressed approval timeline to evaluate tender submissions
- November / December 2023 - Award new contract (post required 10 day standstill period)
- April 2023 – New Contract Commences

**Appendix C: Graph showing changes in P&R ticket sales 2018 to 2022**



## Appendix D: Full Detailed Tender Specifications & Frequency Details

In summary the tender shall include the following provisions:

- a) Vehicles should be specified as new at the beginning of the contract with Zero Emissions, a minimum capacity of 75 passengers and a maximum length of 12.5 metres. Buses to be a minimum of 11.8metres long with a minimum seated capacity of 42 people
- b) To include a tender option that allows for Euro VI standard buses (reuse of the existing or same spec buses) so that the comparison cost of a Zero emission vs conventional bus can be determined.
- c) To include tender options to allow for a contract period of 8 years in the case of Zero Emission Buses and 5 years in the case of conventional buses.
- d) To allow for a peak time vehicle frequency of 10 minutes (7 bus operation) and off-peak (and Saturday) frequency of 15 minutes (4 buses). The service to be operated according to a timetable to be developed by the operator, but based on established operating schedules which include the following provisions
  - o 0625 to 0730 buses every 15 minutes (4 buses)
  - o 0730 to 0900 buses every 10 minutes (7 buses)
  - o 0900 to 1545 buses every 15 minutes (4 buses)
  - o 1545 to 1745 buses every 10 minutes (7 buses)
  - o 1745 to 1830 buses every 15 minutes (4 buses)
  - o 1830 to 1930 buses every 20 minutes (3 buses)
- f) To operate the P&R service six days a week from 0625 to 1930 (Monday to Friday) and 0700 to 1930 (Saturday).
- g) In the in the case of a Zero Emission bus contract the maximum age for the vehicles at the end of the contract be 8 years. In the case of a Euro VI bus contract the maximum age for the vehicles at the end of the contract be 13 years
- h) To continue to run a 'linked' bus route as currently operated, connecting all the City's Park & Ride sites as detailed in Appendix E.
- i) To allow for enhanced levels of operation during the five weeks before Christmas including provision a Christmas Sunday shuttle service
- j) In the case of a Euro VI standard bus contract the notice of termination be set at a level of six months to allow for a scenario where WCC is successful in obtaining grant funding for a replacement Zero Emission bus contract.
- k) Buses to be provide in the livery as required by WCC

- The contract will require that during the contract the age of the vehicles should be profiled to ensure that a contractor does not consider swapping to much older buses during the contract
- Tenders must be willing to work with WCC to submit and develop a ZEBRA bid for Zero Emission Buses (ZEB's) and share any operational cost savings achieved should such a bid be successful.
- Advertising – 'In bus' advertising will be allowed using a maximum of 50% of the available space (the remainder for WCC service advertising) with revenues to be shared between the operator and WCC.
- Vehicles to be fitted with Air Conditioning, Next stop announcements, WiFi, GPS & locational technology
- Tenderers be encouraged to provide 'added value' contracts where they can demonstrate other operational, commercial and advertising benefits beyond the minimum set out in HCC's standard terms and conditions.

## **Appendix E: Bus Route Details**

### **Route Details –**

#### **EAST Car Parks (St Catherine's & Barfield) to SOUTH Car Park**

St Catherine's Car Park  
Bar End Road  
Barfield Close  
The Broadway  
St Georges street  
Jewry Street  
City Road  
Rail Station  
Sussex Street  
Romsey Road - RHCH & University  
Pitt (for Car Park)  
Badger Farm Road  
South Car Park

#### **SOUTH Car Park to EAST Car Parks (St Catherine's & Barfield)**

South Car Park  
Badger Farm Road  
Pitt (for Car Park)  
Romsey Road - RHCH & University  
Upper High Street  
Rail Station  
City Road  
North Walls  
Union Street  
The Broadway  
Barfield Close  
Bar End Road  
St Catherine's Car Park

## Appendix E: Bus Route Details (MAP)

