

Division(s): All

CABINET MEMBER FOR ENVIRONMENT - 19 MARCH 2015

BUS SERVICE SUBSIDIES REVIEW

Report by Deputy Director for Environment and Economy (Commercial)

Introduction

1. Many of the county council's bus subsidy contracts are due for review and, unless stated otherwise, tenders have been invited for new contracts. The duration of contracts awarded will vary dependent upon geographical location. This report and the associated Annexes deals with:
 - (A) Contract awards following the review of subsidised bus services in the Vale of White Horse area
 - (B) Contract awards following the review of subsidised bus services in the South Oxfordshire area
 - (C) Contract awards following the review of subsidised bus services elsewhere in Oxfordshire (which for technical reasons include some additional services which operate in the Vale of White Horse and South Oxfordshire areas)
2. Background information on items A, B and C above is included in Annex 1, together with a summary of the relevant points from the responses received through local consultation. Detailed information relating to the main County Council subsidy contracts is also included in Annex 1 for each service, while any more general issues relating to specific services are discussed in the main body of the report.
3. Tender prices obtained for contracts under review are contained within Supplementary Exempt Annex 2, along with recommendations for award and alternative options.

Reasons for Exempt Annex

4. This item should be considered in exempt session because its discussion in public might lead to the disclosure to members of the public present of information relating to the financial or business affairs of any particular person (including the authority holding that information) as a result of discussions between Oxfordshire County Council and/or other local authorities and organisations.
5. The tender prices contained in Supplementary Exempt Annex 2 must be treated as strictly confidential since they relate to the financial and business affairs of the operator. All prices must be treated as strictly confidential until such time as the Decision Meeting decides whether or not to provide financial support for each service. Revealing operators' prices before then would prejudice the County Council's position if tenders or propositions had to be sought again for any of the services. Prices will remain confidential after the date of this meeting for 10 days (until Monday 6 April) under the 'standstill' period specified in the Public Contract Regulations 2006 and by EU procurement legislation.

Subsidy Prices

6. Tender prices will not be available until shortly before the meeting and will therefore be reported separately in Supplementary Exempt Annex 2 together with the recommendations. The overall impact on the Public Transport budget will not be known until tenders have been evaluated.
7. If further support for any contract is not agreed at the meeting on Thursday 19 March 2015 (except where they have been replaced by alternative arrangements or contracts) then the service or journey(s) concerned will cease after operation on Saturday 30 May 2015.

Exemption from Call-in

8. On 10 January 2006 Council agreed an amendment to the Constitution which means that the County Council's call-in procedure should not apply to any decision on the letting of a contract arising from termination of an existing contract if the time available is such that allowing for call-in would result in service discontinuity, provided that all members of the relevant Scrutiny Committee had been informed of the circumstances of the decision to be made and had had an opportunity to make representations to the decision maker about it. Since existing subsidy contracts will inevitably end on 30 May 2015, the effect of any call-in would be to prevent introduction of any replacement contracts, thus resulting in complete withdrawal of the services concerned and a consequent service discontinuity. The 10 January 2006 amendment therefore applies.
9. With regard to that provision, local members will be advised of the recommended contract awards at least one week before the date of this meeting, which will allow them the opportunity to put their comments in writing or arrange to speak at the meeting.
10. The above arrangements are separate from the provisions of the European Union procurement legislation and the Public Contracts Regulations 2006, both of which require a 10 day 'standstill' period for contractors who have any grievance with regards to the tender awards or processes. Successful tenderers will be advised of the outcome as soon as possible after the meeting so that they will be in a position to register services with the Traffic Commissioners before the end of the 10 day period if necessary. Because of this it will not be possible to disclose any information to the public in respect of the tender awards until before Monday 30 March 2015 (the tenth day of the 'cooling-off' period being the preceding Sunday).

Financial Position – Current review

11. The current annual net cost to the bus subsidy budget of the contracts under review is approximately £1.65million. Where external contributions benefit contracts under review, details are reported in Supplementary Exempt Annex 2.
12. Budgetary pressures have prevented the exploration of significant enhancements to subsidised bus routes for some time (unless paid for by external funding sources). It is not expected to be possible to meet requests for new services, although some such requests were received during the consultation exercise.

13. The potential removal of subsidy for evening and Sunday services has been considered as a means of reducing costs and enabling subsidy to be focused on the provision of services enabling access to essential facilities. This was mentioned as a possibility in the consultation documentation that was circulated to communities with services under review. Operators have been approached to ascertain their willingness to continue existing evening and Sunday services without subsidy, and in some cases services will continue on this basis at their current frequency. In some cases provision will continue in part, either by curtailment of the service at an earlier time or by revision of route coverage. Details of any potential changes to evening and Sunday services are outlined in Supplementary Exempt Annex 2.

Contract Numbering

14. Contracts have been given a letter code in the first column of each Annex (and also in any references to the service within this report) and members are recommended to use this code for the purposes of cross-referencing. Existing service and contract numbers are mentioned for members' information in the service descriptions. Both service and contract numbers may change following the award of new contracts.

A Review of Subsidised Bus Services in the Vale of White Horse area

Background

15. Subsidised bus services in the Vale of White Horse area are due for review and, unless stated otherwise, tenders have been invited for new contracts to run from 31 May 2015 until 2 June 2018, with an option to extend contracts for a further three years in aggregate until 29 May 2021. The standard contract length for tendered routes is six years: the adoption of a '3+3' approach gives flexibility to further review contracts should circumstances dictate.
16. Details of all of the services concerned together with information on the present subsidy cost and patronage data are contained in Supplementary Annex 1 Section A. A full consultation exercise was conducted between September and November 2014, and details of any comments received are summarised under the respective contract headings in Supplementary Annex 1. It was made clear at the beginning of the consultation process that significant improvements were likely not to be possible at this time. However, prices have been sought for some route diversions or other realistic enhancements where feasible, although the size of the review area and the resulting increase in the number of responses received dictates that it has not been possible to explore all suggestions made.

Consultation during review

17. Extensive consultation has been conducted during the course of this review and a significant number of responses were received. A brief summary of the comments is set out in each item detailed within Annex 1. In addition, public meetings were held in Didcot, Faringdon and Wantage in October 2014 to which all consultees were invited and at which various proposals were outlined and comments received and discussed.
18. This review has also utilised Oxfordshire County Council's Consultation Portal as a means of attracting comments from local residents. In practice many comments reflected those of other consultees or simply asked that a bus service should be retained: individual comments have not been included in Annex 1 where this is the case, but officers have taken on board any such responses.

19. Local Members have been advised in writing of recommendations affecting their Divisions at least one week before the meeting that considers this report, and their written comments sought. Any responses received are included as an appendix to Supplementary Exempt Annex 2.

Considerations in review process

20. A number of factors have had to be taken into consideration during the course of the review. These include:-
- (a) Entire or partial commercial declarations by operators
 - (b) Cross-boundary issues relating to operations within the Swindon Borough Council and West Berkshire County Council administrative areas
 - (c) Home to School Transport: carriage of students on scheduled bus services
 - (d) Continuation of existing Community Transport provision and exploration of new opportunities
 - (e) Exploration of potential coverage by Oxfordshire Integrated Transport Unit

a – Entire or partial commercial declarations by operators

21. Commercial journeys are those which operate without any subsidy. All existing contractors were approached early in the review regarding the declaration of any route or section of route currently supported by the County Council that could be continued without subsidy (i.e. commercially).
22. The following commercial declarations have been received for entire services, for which it is anticipated that significant ongoing subsidy will not be required (although both are likely to be in receipt of Section 106 funds relating to potential future enhancements).
- Service 31: Wantage – Marcham – Abingdon – Oxford evenings (see Item A in annexes)
 - Service 66 (Swindon – Faringdon – Oxford): see Item I in annexes)

23. Details of the effect on service provision of the commercial declarations described above are contained in Supplementary Exempt Annex 2, along with financial information relating to ‘de minimis’ payments negotiated to ensure continuation of the current level of service as much as is practical, and any resulting cost savings.

b – Cross-boundary services

24. The current contract for service 65 (Faringdon – Longcot – South Marston – Swindon: see Item H in annexes) benefits from a contribution from Swindon Borough Council for off-peak coverage of South Marston.
25. Officers have discussed the future of this service with officers from Swindon Borough Council. As the majority of patronage is generated from South Marston (which is within the Swindon Borough Council administrative area) responsibility for the procurement of this service will transfer to them at the conclusion of the current contract on May 30. Officers have been in discussion with Swindon Borough Council about the future ‘shape’ of this service (with particular reference to continued provision for the Oxfordshire communities served), while also considering other options for this coverage. Details of any changes that may result are outlined in Supplementary Exempt Annex 2 (Item H).

26. Service 90 (Hungerford – Lambourn – Ashbury – Swindon: see Item L) is contracted by West Berkshire County Council. Oxfordshire County Council contributes to the cost of the service for provision of a peak and off-peak link between Ashbury and Swindon.
27. Officers have been in discussion with their counterparts at West Berkshire regarding the future of Ashbury’s bus service. Both authorities are keen to continue the current arrangement, and officers from Oxfordshire would like to explore opportunities to increase the scope of the route to cover other communities in addition to Ashbury. However, West Berkshire has indicated that it may not be possible to consider significant changes to their contract until well after May 2015, which may render impractical significant changes to the service from an Oxfordshire perspective as this is when network revisions resulting from the current review are scheduled for implementation.
28. Details of the outcome of the review of service 90 are outlined in Supplementary Exempt Annex 2 (Item L).

c – Home-to-School Transport – carriage of students on scheduled bus services

29. Discussions with colleagues responsible for the procurement of home-to-school transport routes have been ongoing throughout the review process with a view to utilising subsidised bus services to transport students to and from school, thus reducing duplication and generating economies through the removal of contracted school buses.
30. In addition, Thames Travel, operator of commercial service T2 (Oxford – Berinsfield – Culham – Abingdon) has expressed an interest in carrying schoolchildren from Berinsfield to and from John Mason School in Abingdon. The Home-to-School transport budget would pay the operator for bus passes for each child to be transported. Although no saving to the Bus Subsidy budget will result, the resulting income will help to underpin the commercial viability of the bus service while also generating a potential saving to the Home-to-School Transport budget from the removal of contracted vehicles to transport this flow of students.
31. Details of instances where flows of students have been accommodated on subsidised bus routes appear in Supplementary Exempt Annex 2, along with details of any resulting cost savings.

d – Continuation of existing Community Transport provision and exploration of new opportunities

32. The operations of Faringdon Community Minibus (See Item F) and Stanford in the Vale Community Minibus (see Item K) are currently supported by ‘de minimis’ agreements. These services provide ‘lifeline’ services for the communities served: officers have engaged discussions with each provider regarding continued support, the outcome of which was positive. Details of ongoing subsidy requirements are contained in Items F and K of Supplementary Exempt Annex 2.
33. Grants for three other Community Transport schemes are also under consideration at this time. These are the Wantage IAC Car Scheme, the Didcot Volunteer Centre Car Scheme and the Cholsey Community Car Service. Details of existing funding and

usage are contained in Annex 1, and potential future costs and recommendations for award in Supplementary Exempt Annex 2 (Item AO).

34. Discussions have also taken place with other Community Transport providers with regard to the transfer of subsidised bus services to the voluntary sector. However, in all cases various issues have prevented these enterprises from taking over subsidised bus work at this time, but some positive indications have been received about this being a possibility in future. Colleagues are continuing to liaise with Community Transport operators and are providing guidance and assistance with grant applications as part of the Supported Transport project, with a view to encouraging growth in the voluntary sector as a provider of 'mainstream' public transport.

e – Exploration of potential coverage of services by Oxfordshire Integrated Transport Unit

35. In recent reviews, officers have explored the potential for use of Oxfordshire County Council's Integrated Transport Unit (ITU) vehicle fleet to operate subsidised bus services in return for subsidy payments. Vehicles from the ITU fleet sometimes have spare capacity between mid-morning and mid-afternoon, and as a result could potentially be deployed on subsidised bus contracts at marginal cost providing that the timetable is deemed suitable by the Fleet Operations Manager and the vehicle to be utilised provides the necessary seating capacity.
36. Oxfordshire's Integrated Transport Unit currently successfully operates two services in the Vale of White Horse review area: services 43 and A1 (see Annex Items E and N respectively). Discussions regarding continued provision of these services have taken place as part of the review service, and details of options for future levels of service and associated costs are detailed in the relevant item entries in Supplementary Exempt Annex 2.
37. Additionally, the potential for some additional coverage of appropriate subsidised routes has been discussed with colleagues from the Integrated Transport Unit. Any potential changes from 'conventional' bus operation to Integrated transport minibus provision are detailed in Supplementary Exempt Annex 2.

B Contracts for subsidised bus services in the South Oxfordshire area

38. A significant number of bus subsidy contracts serving the South Oxfordshire are also under routine review as a result of their imminent expiry.
39. These subsidy contracts have undergone the same consultation procedure as those in the Vale of White Horse area, as outlined in paragraphs 17 to 20 above. Negotiation and re-tendering has been conducted simultaneously with those services included in the main Vale of White Horse area review exercise: details of each service under review are included in Section B of Annex 1, and details of officer recommendations and their financial implications are contained in Section B of Supplementary Exempt Annex 2, along with alternative options.
40. Unless stated otherwise, tenders have been invited for new contracts to run from 31 May 2015 until 3 June 2017, with an option to extend contracts for a further 12 months until 2 June 2018. This timescale brings the South Oxfordshire contracts under review (many of which serve the Wallingford area) into line with the current review timetable for existing contracts serving this area, while also enabling

possible extension to 2018 when few contracts are currently scheduled to terminate.

41. Local Members have been advised in writing of recommendations affecting their Divisions at least one week before the meeting that considers this report, and their written comments sought. Any responses received will be included as an appendix to Supplementary Exempt Annex 2.

Line 40 (High Wycombe-Stokenchurch-Chinnor-Thame)

42. Various elements of the part-commercial 'Line 40' service (including off-peak coverage of Towersey village and specific evening journeys) were subsidised under contracts which were scheduled to expire in 2016 and 2017, and were therefore not currently scheduled for review.
43. During the review process representatives of Arriva advised officers that 'Line 40' was no longer commercially viable in its entirety, and that the service would cease in August 2014 without additional financial support (including the existing subsidised journeys, the contracts for which would be surrendered as continued operation without the commercial element of the route would be impractical).
44. Additional short-term financial support was agreed to prevent the withdrawal of Line 40 at short notice. As a result the service has been reviewed in its entirety, along with the associated 120/121/123 and 124 services which were also subsidised as part of one of the contracts for enhancement of the Line 40 route. A large number of consultation responses were received as part of the review exercise, and operators were advised of a potential commercial opportunity for a service between Chinnor and Thame. Some interest was generated as a result of this invitation: details of any proposals affecting 'Line 40' and other associated routes are detailed in Supplementary Exempt Annex 2 (Item Y).

Services 125, 126 and 131 (Chalgrove – Wallingford, Upperton – Stadhampton – Wallingford, East Hagbourne – Blewbury – Wallingford)

45. The 'de-minimis' contract for certain Monday, Tuesday and Thursday journeys on largely commercial service 125 expires in May 2015. The current operator of this service on these days (Go Ride) advised officers during the review process that commercial journeys provided on this service would cease as part of a network rationalisation exercise. The resulting lack of any commercial element to this service renders a further 'de minimis' award impractical, and any future contract award will necessarily be via competitive tender.
46. Additionally, Whites Coaches (which operates service 125 on Friday only, along with services 126 and 131) has stated that it wishes to surrender its contract for these routes on May 30 2015 (previously awarded until June 2017). Reliability of these routes has been questionable, and complaints have been received from local representatives.
47. These factors combined have generated an opportunity to re-tender services 125, 126 and 131 for coverage by a single operator and with a consistent timetable on service 125 (which currently is operated at different times by Go Ride and Whites Coaches). The outcome of the tendering exercise is detailed in Section B of Supplementary Exempt Annex 2 (Item Z).

Service 98

48. This service links the significant housing development at Great Western Park with Didcot town centre and Didcot Parkway Station, and is entirely funded from the Section 106 agreement pertaining to the site.
49. A 12 month contract with extension clauses was awarded to Walters Coaches in May 2014 for provision of this service, on the basis that anticipated changes to the road network (and in particular the completion of a 'spine road' from the A4130 north of the estate to the B4493 to the south) would render the contracted pattern of service (operating in and out of the estate via the northern access road) redundant.
50. The expected changes in the road network have not progressed as quickly as anticipated. As a result the contract for the existing pattern of service has been extended by a further 12 months until mid-2016, though there is the opportunity to amend the service should the spine road be completed before then, providing no change to the cost of provision is generated.
51. Details of the ongoing cost of this service are provided within Section B of Supplementary Exempt Annex 2 (Item V).

C Contracts for subsidised bus services elsewhere in Oxfordshire

52. A number of subsidy contracts operating in other parts of Oxfordshire also conclude at the end of May 2015. Four contracts operating largely within the Oxford City Council administrative area are included, as are a number of services in the Cherwell District Council area, West Oxfordshire and a single route in South Oxfordshire.

Oxford urban area services 10, 12/12C, 14/14A and 16/16A

53. Four 'de minimis' contracts for services linking suburban areas of Oxford with the city centre conclude on May 30 2015. Most of these contracts are for evening and Sunday provision except that relating to services 14/14A, which is for enhancement of the commercial hourly service to a half-hourly frequency on Saturday.
54. During the review process Stagecoach declared that the subsidised elements would largely continue without subsidy after contract expiry. The only exception to this is the daily evening 12C service (Oxford – Littlemore – Sandford-upon-Thames – Greater Leys), which will be withdrawn and replaced by additional service 12 journeys between Oxford and Greater Leys only, with the result that Sandford and Littlemore (Sandford Road) would potentially lose its daily evening bus service.
55. Details of current costs and future service levels are included in Annex 1 and Supplementary Exempt Annex 2 (Items AA to AD).

Service X10: Burford – The Wychwoods

56. An emergency short term contract was introduced on 1st December 2014 when the previous operator (Go Ride buses) withdrew from this service. This new contract expires on 31st May 2015 to coincide with this scheduled review. Details relating to the potential award of a longer term contract are reported in Annex 1 and Supplementary Exempt Annex 2 (Item AE to AG) although some reduction in the level of service is possible.

57. Villager Community Minibus has also assisted with temporary coverage of services between Deer Park and Witney and the Wychwoods and Chipping Norton, both of which were also previously provided by Go Ride. Details relating to the potential award of longer term contracts for these services are also reported in Annex 1 and Supplementary Exempt Annex 2 (Item AE to AG).

Services 213/214/215: Witney Town Bus Services

58. An emergency short term contract was introduced on 1st December 2014 when the previous operator (Go-Ride buses) withdrew from this service. This new contract expires on 31st May 2015 to coincide with this scheduled review. Details relating to the potential award of a longer term contract are reported in Annex 1 and Supplementary Exempt Annex 2 (Item AE to AG) although some reduction of service is possible.

Future bus services for Middle Barton and Duns Tew

59. Stagecoach have advised the County Council that they no longer wish to divert journeys on their trunk Oxford – Banbury bus service via the villages of Middle Barton and Duns Tew which lie to the west of the main A4260 road. The County Council have therefore invited bids for a shuttle bus service to link these villages with Deddington where connections will be available to and from Banbury and Oxford.
60. Details of costs and proposed future service levels are included in Annex 1 and Supplementary Exempt Annex 2 (Item AH).

Enhanced bus service between Banbury and Deddington

61. Section 106 money is now available from the new Longford Park development on the east side of the A4260 south of Banbury near Bodicote. This money is to be used to increase the frequency of buses passing the development on the Oxford Road for the benefit of the new residents although it is planned for new services to enter the estate in due course.
62. Details of costs and proposed future service levels are included in Annex 1 and Supplementary Exempt Annex 2 (Item AH).

Services 488/489 (Chipping Norton – Bloxham – Banbury)

63. A two-year 'de minimis' contract was awarded in 2013 for provision of Section 106-funded service enhancements and diversions to serve Wigginton off the main line of route. This contract concludes in May 2015.
64. Following discussions with Stagecoach a further two-year contract has been proposed at reduced cost for continuation of the current timetable. This contract period has been chosen as further housing development on the route is likely: should this occur further Section 106 funds will be triggered and significant revisions to the service are likely to be necessary.
65. Details of costs and proposed future service levels are included in Annex 1 and Supplementary Exempt Annex 2 (Item AI).

Services B1/B2 and B8 (Banbury town routes: Sundays)

66. A two-year 'de minimis' contract was awarded in 2013 for provision of Sunday services between Easington, Cherwell Heights, Bodicote and Banbury (services B1/B2) and between Ruscote, Hardwick and Banbury (service B8). This contract concludes in May 2015.
67. Following discussions with Stagecoach service B8 will continue commercially (i.e without subsidy) on Sundays at its current frequency. Services B1 and B2 however will require ongoing support should they continue: details of the potential costs for ongoing provision are included in Annex 1 and Supplementary Exempt Annex 2 (Item AJ).

Service 8 (Brackley – Hethe – Fringford – Stratton Audley – Bicester)

68. Oxfordshire County Council's contribution to Northamptonshire County Council-subsidised service 8 has been included in this review as it was anticipated that the lead authority will be re-tendering the contract for the service, with a potential resulting effect on the Oxfordshire villages served by the route.
69. Northamptonshire's contract for service 8 expires in September 2015 and no changes to this service will take place until then. Initial discussions have taken place with officers from Northamptonshire County Council on their future plans for the service, and the current view is that it is likely to continue broadly unchanged subject to the outcome of their tendering exercise. Officers are therefore seeking delegated authority to negotiate a contribution to the contract cost for continued coverage of the Oxfordshire villages listed above. Subsidy, usage and other information on service 8 is contained in Annex 1 and Supplementary Exempt Annex 2 (Item AK).

Service 504: Hornton – Horley – Banbury (Thursday only)

70. The contract for this experimental service giving Hornton and Horley (which previously had no public transport provision) a once-a-week service to Banbury was awarded in 2013.
71. It is anticipated that Oxfordshire's Integrated Transport Unit will provide this service from May 2015. Prices for continuation and details of any revisions resulting from the review of the service are detailed in Annex 1 and Supplementary Exempt Annex 2 (Item AL)

Service T1: Oxford – Chalgrove – Watlington

72. The County Council were advised in late 2014 by Thames Travel that this service was no longer commercially sustainable in its present form and representatives of the Five Parish Councils were advised of this at the time. Thames Travel agreed not to make any changes to the service until June 2014 to tie in with this scheduled review. Discussions with Thames Travel over a possible new subsidy will be reported in Supplementary Exempt Annex 2 although some reduction in the level of service, especially between Garsington and Watlington in mid-afternoon, is likely.
73. Details of the current service and recommended future subsidy for the amended T1 service are contained in Annex 1 and Supplementary Exempt Annex 2 (Item AM).

Services M1/M2: Watlington – Nettlebed – Sonning Common – Reading

74. Services M1 and M2 have been operated by Oxfordshire County Council's Integrated Transport Unit (ITU) since August 2014, when Whites Coaches contract was terminated at their request. The service continued broadly to the previous timetable but with 3 round trips instead of a single outbound and two inbound journeys on Tuesday, Wednesday and Thursday, and a single round trip on Saturday.
75. Operating experience has led to the ITU fleet manager suggesting some changes to the service, including withdrawal of the Saturday service and rationalisation of the operation on the remaining operating days.
76. Full details of the proposed service changes, consultation responses and proposed ongoing costs are included in Annex 1 and Supplementary Exempt Annex 2 (Item AN).

Service 36

77. This previously commercial service linking Grove and Wantage with Didcot via Steventon was withdrawn in 2013. This service was initially fully funded by Section 106 agreements, then operated semi-commercially by RH Buses before the company entered administration in 2012. Thames Travel then operated it without subsidy for around 18 months, before deciding that it was not sustainable on this basis in mid-2013. It was decided that continuation of the service on a wholly-subsidised basis was not justified at this time based on usage and potential cost.
78. Costings for the potential reinstatement of both peak only and peak/off-peak variants of this service have been explored via the tendering process: full details of potential ongoing costs are included in Supplementary Exempt Annex 2 (Item AP).

Oxford Low Emission Zone

79. Some services under review serve Oxford city centre and as such are subject to the requirements of the Oxford Low Emission Zone (LEZ) which came into force on 1 January 2014. Operators have been informed of the need to comply with the LEZ where appropriate: broadly it requires that vehicles entering the Zone should meet 'Euro 5' emission standards, though with some exemptions and relaxations based upon frequency and vehicle standards.

Developer Funding – Section 106 Agreements

80. Where new or continued Section 106 or other external funding sources towards existing or potential new services have been identified, details of any available contributions are detailed under the relevant item heading in Supplementary Exempt Annex 2.

Tendering procedure: South East Business Portal

81. Tenders for subsidised services resulting from this review were invited via the South-East Business Portal. Officers have liaised closely with colleagues from the Procurement and Legal teams with regard to process revisions and improvements following the adoption of this methodology in 2013. Operators have been kept informed of any new requirements and necessary changes to the bid submission process that have resulted. As a significant proportion of prospective tenderers for

subsidised bus services also bid for contracts in the education sector, most are already registered for access to the South-East Business Portal, and are therefore familiar with the procedures for submission of tender bids.

82. The new tendering procedure includes the compulsory submission of a 'Statement of Requirements' which officers used to conduct a quality assessment of each potential bidder. This document also informs operators that a credit check will be carried out to assess the financial stability of their company.
83. An error was identified in the tendering procedure at a late stage in the review schedule. This has meant that the procurement process for some services that have been made available for competitive tender had to be re-started in mid-February. As a result the outcome of the procurement exercise for the services affected will not now be known in time for the decision meeting that considers this report and the associated tender awards. Delaying decisions on contract awards for tendered services until the Cabinet Member for Environment's next Decision Meeting on Thursday April 30th will give insufficient time for operators to prepare properly for the implementation of new or revised services.
84. Because of the limited time available for this process and the need for operators to have reasonable time to prepare for and publicise the start of new services on May 31, officers are seeking delegated authority to award contracts for affected services at the earliest opportunity once the tendering process has concluded. This is likely to be in mid-April: although this represents a delay of several weeks to the award process, this should still give operators adequate time to recruit drivers and acquire vehicles should this be necessary in good time for the start of new services. Officers' proposals for contract award will be circulated to affected county councilors for comment in advance of formal contract award as soon as it is practical to do so. This is likely to be in early April.
85. The majority of the services recommended for award will be awarded using the 'de minimis' process, and as a result decisions on most items covered in this report and associated Annexes are still possible at this time. The Items for which delegated authority for contract award is being sought are clearly marked on Supplementary Exempt Annex 2.

Contract Termination

86. Contracts may be terminated by the contractor notifying the Council of intended termination not less than 26 weeks prior to the next authorised change date, or by the Council notifying the Contractor of intended termination not less than 17 weeks prior to the next authorised change date.

Financial and Staff Implications

87. The financial implications as they relate to bus service subsidies will be dealt with in Supplementary Exempt Annex 2. There are no staff implications.

SUPPLEMENTARY EXEMPT ANNEX 2

88. This document will be circulated prior to the meeting to all County Councillors for divisions affected by this review. Each bus service (or group of services fulfilled by a single contract) is detailed in a separate item, and the ordering of items is the same in both Annexes to enable cross-referencing. Relevant information on the current service pattern, level and route will be detailed, along with officers'

recommendations and the cost of the recommended option. This section will also highlight the likely consequences of proceeding with the award of this recommended option (for example parishes left unserved or known passenger flows displaced). This is followed by a summary of other options/prices sought and the cost and likely effect of awarding these options should the Deputy Leader decide to.

RECOMMENDATION

89. **The Cabinet Member is RECOMMENDED to:**

- a) **make decisions on subsidy for the services described in this report on the basis of the tender prices (and the periods of time) as set out in Supplementary Exempt Annex 2;**
- b) **record that in the opinion of the Cabinet Member for Transport the decisions made in (a) above are urgent in that any delay likely to be caused by the call in process would result in service discontinuity and in accordance with the requirements of Scrutiny Procedure Rule 17(b) those decisions should not be subject to the call in process, and;**
- c) **delegate authority to the Deputy Director for Environment & Economy (Commercial) in consultation with the Cabinet Member for Environment to negotiate an appropriate level of ongoing contribution toward service 8 (Brackley – Hethe – Fringford – Stratton Audley – Bicester: Item AK) and service 90 (Lambourn – Ashbury – Swindon: Item L) with each contracting authority.**
- d) **delegate authority to the Deputy Director for Environment & Economy (Commercial) in consultation with the Cabinet Member for Environment to award contracts relating to the items below which are subject to a delayed competitive tendering exercise. Where the contracts being awarded are substantially different to those laid out in Annex 2 local County Council Members will also be consulted.**

ITEM C: Service 38

ITEM D: Services 40, 41, 42, 44 and 218

ITEM G: Service 63

ITEM J: Services 67/67A/67B

ITEM M: Services 94/95

ITEM Q: Service X47

ITEM U: Services 97/114/135

ITEM W: Service 134

ITEM Y: Services 120, 121, 123 and 124

ITEM Z: Services 125, 126 and 131

MARK KEMP

Deputy Director – Environment and Economy (Commercial)

Background papers: Correspondence with Local Councils, Parish Transport Representatives, Transport operators and other bodies (refer to contact officers).

Contact Officers: Tim Darch (Tel: 01865 815587)
Allan Field (Tel: 01865 815826)

February 2015