

Operational Decision Record

Publication Date 15/02/2023	Decision Reference Number 4858
Decision Title	
Expenditure on bus services provided under de minimis regulations	
Decision Value	
£110,000	
Revenue or Capital Spend?	
Revenue	
Department	
Growth and City Development	
Contact Officer (Name, job title, and contact details)	
Mark Garlick, Public Transport Policy, mark.garlick@nottinghamcity.gov.uk 0115 876 4675	
Decision Taken	
<ol style="list-style-type: none"> 1) To delegate authority to the Corporate Director for Growth and City Development to approve payments to the contractor to continue the provision of bus service 13 and diversions to bus services 19 and 54 on a de minimis basis 2) The payments will cover services 13 and 54 for the 2023/24 financial year, and service 19 until the end of July 2023, when the commercial service will be withdrawn, to cover the remainder of the 2022/23 school year. 	
Reasons for Decision and Background Information	
<p>Local authorities are able to award subsidy for bus services, without a competition, under the de minimis tendering rules under certain circumstances. Up to 25% of an authority's bus service budget can be awarded in this way. This is useful where a variation to an otherwise commercial bus service is the most effective way of meeting a particular need.</p> <p>CT4N Ltd has stated its intention to withdraw its commercial service 19. This service has existing 'de minimis' elements (see 2 and 3 below). The proposal here is to retain and support this service until the end of the current school year in July 2023.</p> <p>The proposal is to continue to support the provision of services that are already operating on a 'de minimis' basis as follows:</p>	

1. Retain CT4N Ltd Service 13 as a link between the Wollaton area and Beeston centre for local shopping and facilities;
2. Retain contribution to CT4N Ltd commercial service 19 until July 2023, when it will be withdrawn. The support provides links into the Sherwood Vale and Mildenhall Crescent residential areas that would not otherwise be served by bus services within 400m;
3. Retain CT4N Ltd Service 19 direct school journeys between the Top Valley area and Christ the King Roman Catholic School at Arnold until July 2023.
4. Retain contribution to NCT commercial service 54 to provide a service into areas of Clifton that will be more than 400m from alternative services, including Lark Hill older peoples' village, the Summerwood Lane area and the Rivergreen-Sunninghill Drive areas.

Other Options Considered and why these were rejected

The other options available are:

- 1) Allow the commercial withdrawal of CT4N Service 19, as planned by the operator, with immediate effect. This would mean an immediate loss of service into Sherwood Vale and Mildenhall Crescent, and the loss of the direct (no interchange needed) school link between Top Valley and Christ the King School. In view of the short notice given by the commercial operator this would mean no time to plan the transition for school pupils to other services before the end of the school year, and no time to plan alternative provision such as Dial-a-Ride or Demand Responsive alternative services for residents in the Sherwood Vale and Mildenhall Crescent areas.
- 2) Removal of support to CT4N Service 13. This provides an increasingly popular shoppers' link between the Wollaton area and Beeston centre. It operates four journeys in each direction on Tuesday and Thursday and replaces the L10 service that was withdrawn due to budget savings in June 2021.
- 3) Removal of support to NCT Service 54. This support funds links to the Lark Hill older peoples' village, the Summerwood Lane area of Clifton and the Rivergreen-Sunninghill Drive areas of Clifton where buses would not otherwise be provided within 400m.

Reasons why this decision is classified as operational

The value of the decision is under £250,000, is within agreed Council policies and can be funded from existing budgets. The decision allows the Council to spend up to £110,000 in the 2023/24 financial year on supporting the 13, 19 and 54 bus services with both CT4N Ltd and Nottingham City Transport Ltd on a "de minimis" basis.

Additional Information

An EIA is included to consider the impact of the withdrawal of service 19 from the end of July 2023.

Finance comments

As the Bus service is a statutory service this interim spend of 110k from 1 April 2023 to 31 March 2024 is required. This £110k is split into £40.7k is for CT4N and £69.3k for Nottingham City Transport, Based on forecast prices. The nature of these diversions, to a commercial service, mean that they are low cost and do not

need to be tendered. Tendering would require the procurement of a separate service – and that would mean duplication. This will be reviewed at the minimum annually.

The expected cost should be managed with the existing Local tendered bus services budget therefore should have no impact on the MTFP. This will be monitored by the service for any variance and reflected in the monthly forecast for the service.

Advice provided by Paul Rogers (Commercial Finance Business Partner)
27/01/2023

Procurement comments

3 quotes will be sought as and when any emergency bus services are required. This is compliant with CPR's and demonstrates best value. Procurement therefore supports the decision to be taken.

Advice provided by Paul Ritchie (Procurement Category Manager)
02/02/2023

Decision Maker (Name and Job Title)

Sajeeda Rose, Corporate Director, Growth and City Development

14/2/23

Scheme of Delegation Reference Number

1

Date Decision Taken

14/02/23