



Transport Act 2000

2000 CHAPTER 38

PART II

LOCAL TRANSPORT

Bus services: quality contracts schemes

124 Quality contracts schemes

- (1) A local transport authority, or two or more such authorities acting jointly, may make a quality contracts scheme covering the whole or any part of their area, or combined area, if they are satisfied that—
 - (a) making a quality contracts scheme is the only practicable way of implementing the policies set out in their bus strategy or strategies in the area to which the proposed scheme relates, and
 - (b) the proposed scheme will implement those policies in a way which is economic, efficient and effective.
- (2) A quality contracts scheme may not be made unless the authority or authorities—
 - (a) have complied with the notice and consultation requirements imposed by section 125, and
 - (b) have obtained the approval of the appropriate national authority in accordance with section 126.
- (3) A quality contracts scheme is a scheme under which—
 - (a) the authority or authorities determine what local services should be provided in the area to which the scheme relates and any additional facilities or services which should be provided in that area, and
 - (b) local services may only be provided in that area in accordance with quality contracts (subject to section 127(4)).
- (4) In this Part “quality contract”, in relation to a quality contracts scheme, means an agreement entered into under section 130 or 131 under which—

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- (a) the authority or authorities grant to another person the exclusive right to operate the local services to which the contract relates, and
 - (b) that person undertakes to provide the services on such terms (including in particular as to frequency, fares and standard of service) as may be specified in the agreement.
- (5) A quality contract may be made on terms—
- (a) which include provision for the making of payments by the authority or authorities to the person undertaking to provide the local service, and
 - (b) requiring one or more of the parties to provide additional facilities or services.
- (6) Section 88(1) of the Transport Act 1985 (application to subsidy agreements of sections 89 to 92 of that Act) does not apply in relation to quality contracts.
- (7) The authority or authorities must keep under review the extent to which quality contracts entered into by them are complied with.
- (8) In carrying out their functions under this Part in relation to quality contracts schemes, local transport authorities must co-operate with one another.
- (9) In considering whether to make a quality contracts scheme, a local transport authority must have regard to the desirability, in appropriate cases, of making a scheme jointly with another authority.

125 Notice and consultation requirements

- (1) If an authority or authorities propose to make a quality contracts scheme, they must give notice of the proposed scheme in at least one newspaper circulating in the area to which it relates.
- (2) The notice must—
- (a) describe the proposed scheme,
 - (b) state where a copy of the scheme may be inspected, and
 - (c) state their reasons for wishing to make the scheme.
- (3) After giving notice of the proposed scheme, the authority or authorities must consult—
- (a) all persons operating local services in the area to which it relates,
 - (b) all other persons holding a PSV operator's licence or a community bus permit who would, in the opinion of the authority or authorities, be affected by it,
 - (c) such organisations appearing to the authority or authorities to be representative of users of local services as they think fit,
 - (d) any other relevant local authority any part of whose area would, in the opinion of the authority or authorities, be affected by it,
 - (e) the traffic commissioner for each traffic area covering the whole or part of the area to which it relates,
 - (f) the chief officer of police for each police area covering the whole or part of that area, and
 - (g) such other persons as the authority or authorities think fit.
- (4) For the purpose of subsection (3)(d) the following are relevant local authorities—
- (a) local transport authorities,
 - (b) district councils in England,

- (c) London transport authorities, and
 - (d) councils in Scotland.
- (5) The authority or authorities may modify the proposed scheme following those consultations.

126 Approval of proposed scheme

- (1) If, having complied with section 125, the authority or authorities wish to proceed with the proposed scheme, they must apply to the appropriate national authority for its approval.
- (2) The application must include—
- (a) their reasons for wishing to make the scheme, and
 - (b) such other information as the appropriate national authority may reasonably require.
- (3) Any person consulted under section 125(3) may make written representations to the appropriate national authority about the scheme.
- (4) The appropriate national authority may approve the proposed scheme, with or without modifications, if it is satisfied that—
- (a) the conditions set out in paragraphs (a) and (b) of section 124(1) are met, and
 - (b) it is in the interests of the public that the scheme is made.
- (5) If the appropriate national authority proposes to approve the scheme with modifications, it must first inform the authority or authorities and they must—
- (a) consult such of the persons they consulted under section 125(3) as would, in their opinion, be affected by those modifications, and
 - (b) inform the appropriate national authority as to the outcome of that consultation.
- (6) After being informed of that outcome the appropriate national authority may approve the scheme either with those modifications or without modifications.

127 Making of scheme

- (1) If the appropriate national authority approves the scheme, the authority or authorities who proposed it may make it as approved at any time not later than six months after the date of the approval.
- (2) The scheme must specify—
- (a) the area to which it relates,
 - (b) the date on which it is to come into operation, which must not be earlier than 21 months after the date on which it is made, and
 - (c) the period for which it is to remain in operation, which must not be more than ten years.
- (3) The scheme must outline—
- (a) the local services which are to be provided under quality contracts, and
 - (b) the features of the proposed invitations to tender for quality contracts.
- (4) The scheme may provide that—

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- (a) local services specified in it, or
 - (b) local services of a class specified in it,are to be excluded from the scheme, subject to such conditions (if any) as may be specified in it.
- (5) The scheme may contain such ancillary provisions as the authority or authorities think fit.
- (6) The scheme may include provision—
 - (a) varying or revoking any quality partnership scheme which only relates to the area of the authority, or combined area of the authorities, by which the scheme is made, or
 - (b) varying any other quality partnership scheme to the extent that it so relates.
- (7) If provision is made under subsection (6)(b) to vary the quality partnership scheme so that it no longer so relates, such of the authorities by which it was made as did not make the quality contracts scheme—
 - (a) may (subject to the provision so made) vary it if they decide that it is appropriate to do so, or
 - (b) may revoke it if all persons who have given an undertaking to provide a service to a standard specified in the scheme consent to the revocation of the scheme (which consent must not be unreasonably withheld);and subsections (3) and (4) of section 120 apply to a variation or revocation under this subsection.
- (8) Not later than 14 days after the date on which the scheme is made, the authority or authorities must—
 - (a) give notice in at least one newspaper circulating in the area to which the scheme relates, and
 - (b) send a copy of the scheme to the traffic commissioner for each traffic area covering the whole or part of that area.
- (9) The notice must state—
 - (a) that the scheme has been made,
 - (b) where a copy of the scheme may be inspected, and
 - (c) the date on which the scheme is to come into operation.
- (10) The appropriate national authority may by order vary the period mentioned in subsection (2)(b).

128 Postponement of scheme

- (1) If it appears to the authority or authorities who made the scheme appropriate to do so, they may decide that the date on which the scheme would otherwise come into operation shall be postponed by such period as they think fit (subject to any provision of regulations made under subsection (4)).
- (2) Before making such a decision they must consult all operators of local services who would, in their opinion, be affected by the decision.
- (3) Not later than 14 days after the date on which any such decision is made they must give notice of the decision—

- (a) in at least one newspaper circulating in the area to which the scheme relates, and
 - (b) to all operators of local services who would, in their opinion, be affected by the decision and the traffic commissioner for each traffic area covering the whole or part of the area to which the scheme relates.
- (4) The appropriate national authority may by regulations make provision with respect to postponements under subsection (1).
- (5) The regulations may in particular make provision—
- (a) as to the maximum period of postponements, and
 - (b) requiring authorities to re-issue invitations to tender in accordance with section 130.

129 Effect of scheme

- (1) During any period in which the scheme is in operation—
- (a) sections 6 to 9 of the Transport Act 1985 (registration of local services) do not have effect in relation to the area to which it relates, and
 - (b) no local service shall be provided in that area (if there is a stopping place for the service in that area) unless it is provided under a quality contract.
- (2) But subsection (1) does not apply in relation to services which are excluded from the scheme as a result of any provision of the scheme made in accordance with section 127(4).
- (3) Where the exclusion of a local service from the scheme is made subject to conditions as a result of such a provision, those conditions are to be treated, during any period in which the scheme is in operation, as if they were prescribed particulars registered under section 6 of the Transport Act 1985 of the service concerned.
- (4) The authority or authorities must invite tenders in accordance with section 130 not later than—
- (a) three months, or
 - (b) such other period as the appropriate national authority may by order specify, after the scheme has been made.

130 Tendering for quality contracts

- (1) The authority, or the authorities acting jointly, must invite tenders for the provision of services to which the scheme relates for such period and on such basis as may be specified in the invitation to tender.
- (2) The period specified must not exceed five years.
- (3) Subject to subsection (4), such an invitation—
- (a) must be issued generally, in such manner as the authority or authorities consider appropriate for bringing it to the attention of persons who may be interested, and
 - (b) must also be issued individually to all persons who have given to that authority or any of those authorities a written notice indicating that they wish to receive invitations to tender for the provision of local services of a description to which the invitation relates.

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- (4) Such a notice must specify the address to which such an invitation is to be directed, and it shall be sufficient for the purposes of subsection (3)(b) if the authority or authorities send the invitation to the person giving such a notice at the address so specified.
- (5) The authority or authorities may only accept a tender submitted by a person who is the holder of either—
 - (a) a PSV operator’s licence, or
 - (b) a community bus permit.
- (6) But subsection (5)(a) does not include a licence to which a condition is attached under section 26 of the Transport Act 1985 (power of traffic commissioner to attach conditions to licences) prohibiting the holder from using vehicles under the licence to provide local services of all descriptions or of any description to which the invitation relates.
- (7) After entering into a quality contract, the authority or authorities must give notice to the traffic commissioner for each traffic area covering the whole or part of the area to which the scheme relates of—
 - (a) the local services to be provided in accordance with the contract, and
 - (b) the duration of the contract.
- (8) The appropriate national authority may by regulations make provision requiring authorities to publish prescribed information about tenders submitted to them in accordance with this section or about their reasons for entering into particular quality contracts.

131 Exceptions from section 130

- (1) Section 130 does not apply in any case where it appears to the authority or authorities that action is urgently required for the purpose of—
 - (a) maintaining an existing service,
 - (b) securing the provision of a service in place of a service which has ceased to operate, or
 - (c) securing the provision of a service to meet any public transport requirement which has arisen unexpectedly and ought in the opinion of the authority to be met without delay.
- (2) The appropriate national authority may by regulations make provision for further exceptions from section 130, including in particular with respect to—
 - (a) cases in which no tender, or no acceptable tender, is submitted in response to an invitation to tender issued under section 130(1) or under any provision made by virtue of subsection (5)(a), and
 - (b) agreements of a prescribed description.
- (3) The appropriate national authority may make regulations fixing the maximum duration of a quality contract entered into under subsection (1) or under any provision made by virtue of subsection (2).
- (4) The appropriate national authority may by regulations make further provision with respect to exceptions from section 130.
- (5) Regulations under subsection (4) may in particular—

- (a) require authorities to invite tenders for the provision of a service which is the subject of a quality contract made under subsection (1) or under any provision made by virtue of subsection (2), and
- (b) require authorities to publish prescribed information (including as to their reasons for entering into particular quality contracts) or to give notices.

132 Variation or revocation of scheme

- (1) The authority or authorities who made the scheme (other than any to whose area the scheme no longer relates) may vary it by—
 - (a) increasing the area to which it relates (to no greater than the whole of their area or combined area) or adding to the description of local services which are to be provided under quality contracts,
 - (b) reducing that area or reducing the description of services, or
 - (c) providing for new exclusions from the scheme or for the variation or revocation of existing exclusions.
- (2) The scheme may not be varied under subsection (1)(a) unless the conditions set out in paragraphs (a) and (b) of section 124(1) are met with respect to the scheme as varied.
- (3) The scheme may not be varied under subsection (1)(b) unless those conditions—
 - (a) are no longer met with respect to it, but
 - (b) are met with respect to the scheme as varied.
- (4) The authority or authorities who made the scheme (other than any to whose area the scheme no longer relates) may revoke the scheme—
 - (a) if those conditions are no longer met with respect to it, or
 - (b) if they and one or more other authorities make a quality contracts scheme covering the whole or part of the area to which it relates.
- (5) The variation or revocation of the scheme under subsection (1) or (4)—
 - (a) requires the approval of the authority which approved the making of the scheme, and
 - (b) is subject to the same procedure as the making of a scheme, except to the extent that that procedure is modified by regulations made by the appropriate national authority;and section 130 applies to a varied scheme but subject to regulations so made.
- (6) The appropriate national authority may by regulations provide that in prescribed circumstances quality contracts schemes may be revoked by that authority before coming into operation.

133 Regulations about schemes

- (1) The appropriate national authority may by regulations make further provision with respect to—
 - (a) the procedure to be followed when making, varying or revoking quality contracts schemes,
 - (b) the approval of schemes,
 - (c) the local services or classes of local services which are to be, or may be, excluded from schemes,

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- (d) the conditions which must be, or may be, attached to such exclusions, and
 - (e) such other incidental matters in connection with quality contracts schemes as the appropriate national authority thinks fit.
- (2) The regulations may in particular make provision with respect to—
- (a) giving notice of proposed schemes or proposed variations or revocation of schemes,
 - (b) objections to such proposals,
 - (c) the holding of inquiries or hearings into objections,
 - (d) modifications of such proposals,
 - (e) the form and manner of applications for approval of such proposals,
 - (f) the form of schemes or variations, and
 - (g) giving notice of schemes which have been made or of the variation or revocation of schemes.

134 Transitional provision about schemes

- (1) The appropriate national authority may by regulations make such transitional provision as it considers appropriate in connection with—
- (a) the coming into operation of quality contracts schemes,
 - (b) the variation of such schemes, and
 - (c) the ending of such schemes (whether or not as a result of their revocation).
- (2) The regulations may in particular provide that in prescribed circumstances—
- (a) any provision of sections 6 to 9 of the Transport Act 1985 (registration of local services) which would otherwise have effect is not to have effect or is to have effect with such modifications as may be prescribed, or
 - (b) any such provision which would not otherwise have effect is to have effect or is to have effect with such modifications as may be prescribed,
- in relation to the whole or any part of the area to which the scheme relates.