

DATA LABEL: PUBLIC

**COUNCIL EXECUTIVE****PROCUREMENT APPROVAL REPORT****REPORT BY THE HEAD OF CORPORATE SERVICES****A. PURPOSE OF REPORT**

To seek Council Executive approval to enter into contracts where Committee authorisation is required by Standing Orders.

B. RECOMMENDATION

It is recommended that the Council Executive approve:

1. Contract extensions to the Local Bus Services across West Lothian, as detailed in Appendix 1, for a period of 1 year from 1 April 2022 to 2 April 2023, with a total estimated extension value of £1,399,197.
2. A direct award of a contract to Cyrenians for provision of a service to optimise the independence and wellbeing of older people at home or in a homely setting, for a period of 1 year from 1 July 2022 to 30 June 2023, with an estimated total value of £268,884.

C. SUMMARY OF IMPLICATIONS

I	Council Values	Focusing on our customers' needs; being honest, open and accountable; making best use of our resources.
II	Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	Standing Orders of West Lothian Council; the Public Contracts (Scotland) Regulations 2015; the Procurement (Scotland) Regulations 2016; and the Procurement Reform (Scotland) Act 2014.
III	Implications for Scheme of Delegations to Officers	None
IV	Impact on performance and performance Indicators	None

V	Relevance to Single Outcome Agreement	Our public services are high quality, continually improving, efficient and responsive to local people's needs.
VI	Resources - (Financial, Staffing and Property)	All the proposals were included in the 2021/22 budget;
VII	Consideration at PDSP	N/A
VIII	Other consultations	See section D of the report

D. TERMS OF REPORT

D.1 LOCAL BUS SERVICE

Background

The COVID 19 pandemic is still having a significant impact on the local bus market. Although demand for public transport has increased in comparison to the initial March 2020 lockdown, Transport Scotland is reporting that current demand levels are still reduced from 2019 pre-pandemic levels. Public confidence in using public transport is still a concern for the industry and it is expecting the new omicron variant to have had a further detrimental impact on patronage over the festive period therefore continuing to impact the commercial viability of bus services in West Lothian.

In addition to the impact of the pandemic, the transport industry has been severely impacted by the national driver shortage. With a lengthy lead in time from recruitment of new drivers to operating on the network, service delivery is significantly impacted and many companies are reducing services and frequencies as a result.

Local bus operators are currently supported by the Scottish Government's COVID 19 Support Grant which covers the gap between operational costs and the anticipated loss of fare-paying passenger revenue that bus operators experience due to physical distancing and reduced carrying capacity.

It was expected that the funding would be removed in financial year 2022/23 however the recent COVID variant and spike in COVID cases have placed further uncertainty on the recovery of the commercial local bus network. The Scottish Government have not yet confirmed the financial position post March 2022.

Impact on Commercial and Subsidised Network

Continual engagement has taken place with operators over the course of the pandemic and recent discussions have confirmed that operators are not in a position to plan and implement any long-term network changes. The current driver shortage and unknown position of Scottish Government funding after March 2022 means that it is unlikely operators will make any long term decisions on the commercial network until summer 2022 onwards.

As the local bus network has been further impacted by COVID 19 and the viability of the commercial market is unknown, it further demonstrates that it is likely the commercial market may reduce post COVID 19 and council subsidy would potentially be required to cover existing connections. This increases the risk that the council would be unable to deliver a revised strategy based on new principals and that the commercial market would not be stable enough to sustain new long-term contracts.

In September 2021, Passenger Transport Services met with all local bus providers to assess the impact of a subsidised network redesign and tender process. Many operators raised concerns with regards to the uncertainty of the industry and an ability to react to an entirely revised subsidised network. All operators, including those not currently contracted, stated that the continuation of the current contracts for a 1 year period would help support the industry and allow time for further clarification on key impacts, such as the Covid Support Grant Funding, and allow for long term planning to take place. Where a contract extension would not be compliant with regulations, or where operators choose not to enter into an extension, contracts will be subject to re-tender.

Given the feedback from operators and the current position of the local bus network officers recommend the extension of the current contracts for a period of 1 year to 2 April 2023. If agreed, variations to the contracts would be progressed with operators to provide a further 12 month extension within existing budgets. Where a contract extension would not be compliant with regulations, or where operators choose not to enter into an extension, contracts will then be subject to a re-tender process which would be completed prior to April 2022.

Work has already commenced on the 5 year contract arrangements for a redesign and re-tender of the subsidised network following any agreement to extend the current contracts until April 2023.

Regulation 72(1)(c) of the Public Contracts (Scotland) Regulations 2015 provides for a modification of a contract during its term where the need for the modification was brought about by circumstances which the Council could not have foreseen provided the modification does not alter the overall nature of the contract and the total value of the modification does not exceed 50% of the initial contract agreement. Council Executive is, therefore, requested to approve the Contract extensions to the Local Bus Services across West Lothian, as noted at Appendix 1, for a period of 1 year from 1 April 2022 to 2 April 2023, with a total estimated extension value of £1,399,197.

D.2 OLDER PEOPLE ACTIVE LIVES (OPAL)

Background

A Public Social Partnership (PSP) approach was agreed in respect of the older peoples housing support contracts to consider future provision, the outcome of which was the inception of Older People, Active Lives (OPAL). The objective of OPAL is to “Optimise the independence and wellbeing of older people at home or in a homely setting.”

West Lothian Health and Social Care Partnership have a duty of care to provide lower level early intervention and prevention services, and as such OPAL. With the changes to the eligibility criteria, those individuals who do not require a statutory assessment are sustained and supported through early intervention, prevention, and tackling loneliness measures which minimise their needs becoming critical or substantial.

OPAL is strategically relevant as it is critical in meeting the key messages identified in the [West Lothian, Integration Joint Board, Strategic Plan, 2019-23](#), the [Scottish Government Community Empowerment and Engagement agenda](#), and the [Older Peoples Commissioning Plan 2019 to 2023](#).

Current Position

In response to the COVID pandemic, OPAL adapted the support provided to work within the Scottish Government Guidelines and delivered a blended approach of face to face, telephone and technology enabled support. As COVID restrictions eased, OPAL adapted, remobilised and services began to return to the community.

Services provided include: -

- Group activities
- Befriending
- One-one support
- Benefits of volunteering
- Isolation prevention – “something to eat and someone to eat with”
- Accompaniments to groups/introduction to local groups/social activities
- Volunteer drivers assist with transport to groups
- Short and longer-term support based on individual need
- Telephone Support
- Virtual 1-1 meetings. Virtual group meetings
- Collaborative working with other organisations
- OPAL wanders – promoting physical and mental health, community connections within green spaces encouraging community capacity building.

There is an identified need for early intervention, prevention and community capacity building to continue in the Covid recovery period and beyond. In February 2021, OPAL was awarded one off grant funding of £16,000 for Covid support and further additional funding of £30,000 for years, 21/22 and 22/23 to develop new elements of community capacity building.

Performance Monitoring

OPAL is heavily supported by volunteers which brings enormous benefits and enjoyment, not only to beneficiaries, but to communities and volunteers themselves.

As the service heavily reliant on volunteers with whom the incumbent provider has established loyalties and relationships with, to change provider could cause uncertainty and the risk of losing volunteers. Therefore, in the current climate of recruitment and retention difficulties, it is not the right time to tender this type of critical preventative service.

Procurement

Regulation 3 (10) of the Procurement (Scotland) Regulations 2016 makes provision for the aggregation of public contracts where the value of all contracts for similar supplies and services awarded during the previous 12 months must be aggregated. The aggregated value determines whether the contract is over the Government Procurement Agreement (GPA) threshold. The contract value over the previous year is £268,884 and the value of the proposed award is £268,884. The combined value of £537,768 is below the Light Touch Regime threshold (£552,950) and therefore, in line with the Scottish Government guidance on the Procurement of Care and Support, the Council can choose not to seek offers for Social Care and Other Related Services contracts on a case by case basis. Whilst the Council's Standing Orders permit the Head of Corporate Services to approve the direct award, they may opt to seek approval from Council Executive. Council Executive is, therefore, requested to approve a direct award of a contract to Cyrenians for provision of a service to optimise the independence and wellbeing of older people at home or in a homely setting, for a period of 1 year from 1 July 2022 to 30 June 2023, with an estimated total value of £268,884.

E. CONCLUSION

It is recommended that the Council Executive approves the procurement set out in the report, which will support delivery of effective Council Services.

F. BACKGROUND REFERENCES

None

Appendices/Attachments: One

Appendix 1: Contract Extensions – Local Bus Service

Lesley Henderson
Acting Head of Corporate Services

18 January 2022

Appendix 1

Contract Extensions - Local Bus Service

Start Date	End Date	Operator	Expected Spend During Extension 2 - proposed rates
11/04/2022	02/04/2023	SD Travel	£55,670
11/04/2022	02/04/2023	SD Travel	£94,301
11/04/2022	02/04/2023	First Scotland East Limited	£4,146
11/04/2022	02/04/2023	First Scotland East Limited	£19,544
11/04/2022	02/04/2023	First Scotland East Limited	£93,574
11/04/2022	02/04/2023	First Scotland East Limited	£29,018
11/04/2022	02/04/2023	First Scotland East Limited	£110,749
11/04/2022	02/04/2023	SD Travel	£24,043
11/04/2022	02/04/2023	SD Travel	£11,959
11/04/2022	02/04/2023	E&M Horsburgh Ltd	£41,405
11/04/2022	02/04/2023	E&M Horsburgh Ltd	£284,046
11/04/2022	02/04/2023	SD Travel	£53,567
11/04/2022	02/04/2023	E&M Horsburgh Ltd	£107,609
11/04/2022	02/04/2023	SD Travel	£49,542
11/04/2022	02/04/2023	E&M Horsburgh Ltd	£106,220
11/04/2022	02/04/2023	E&M Horsburgh Ltd	£158,818
11/04/2022	02/04/2023	SD Travel	£18,893
11/04/2022	02/04/2023	E&M Horsburgh Ltd	£136,094
Estimated Total Values			£1,399,197