

OFFICER DECISION RECORD 1 FORM

This form should be used to record Officer Decisions in Excess of £100k (but below the key decision threshold), or where required by Financial, Contract or other Procedure Rules or following formal delegation from Cabinet or a Cabinet Member or a Council Committee.

Decision Reference No: CR/374/06/20

BOX 1

DIRECTORATE: Corporate Resources **DATE:** 27th May 2020

Contact Name: Holly Wilson **Tel. No.:**

Subject Matter: Supplier Relief Scheme (SRS) linked to the Procurement Policy Note (PPN) 02 2020 Supplier Relief due to Covid-19, up to the 30th June 2020.

The supplier relief is for tranche one of the Home to School Transport Contract, ones that have been assessed against the data requested. The suppliers include:

- **Fonacar**
- **Tommy's Taxis**
- **BZEB Taxis**

BOX 2**DECISION TAKEN**

To grant supplier relief under the SRS totalling [REDACTED] for the three months period from 1 April to the 30 June 2020.

Fonacar	[REDACTED]
Tommy's Taxis	[REDACTED]
BZEB	[REDACTED]

This decision based on documentary evidence provided by the providers and assessed by the SRS Panel 18.05.20 consisting of Strategic Procurement, Financial Management and the Schools Transport Team.

BOX 3**REASON FOR THE DECISION**

The government has advised public bodies via the PPN 20_2020 Supplier Relief due to COVID19, to help ensure supplier sustainability through the COVID19 pandemic.

- The Homes to Schools Transport sector is a vulnerable market and does not attract many if any bids for certain routes. Occasionally, the Council struggles to fulfil its statutory requirements due to the limited supply base.

- Most firms are local or regional businesses and are reliant on the Council for income.
- Appetite to sustain businesses in this sector to ensure competition for routes continues once the contract returns to normal operations.
- In particular sustain smaller businesses who predominantly pick up the harder to tender runs that in turn helps ensure value for money (VFM).
- Appetite to sustain as many providers in the market as possible to ensure transport can be managed with any social distancing restrictions that come into play after June, at a competitive price.

All **three** providers have applied to the council citing **cashflow problems** as a result of COVID19. In calculating the level of relief in relation to cashflow and reduced income, the following principles have been established:

- The relief must not exceed the contract value
- No compensation for lost profit (in line with PPN20_2020)
- Action must have been taken by the provider to cease/reduce variable costs which cannot be fully covered by income – e.g. furlough staff
- Details of fixed costs provided
- Relief is reduced to take account of any other funding/government grants accessed
- Relief is reduced to take account of the proportion of other public sector contracts

Fonacar

This provider delivers [REDACTED] runs per week which represents approximately [REDACTED] of the council's overall total contract for Home to School Transport and approximately [REDACTED] of their business is with the council. [REDACTED]

The company is based in Swinton and also provides services to [REDACTED]. Relief has been reduced to take account of the business contracted with [REDACTED] in order to reflect some proportionality in terms of sustaining the provision, however, without full detailed knowledge of what all other public sector organisations will provide in relief, it [REDACTED]

Tommy's Taxis

This provider delivers approximately [REDACTED] runs per week which represents approximately [REDACTED] of the council's overall total contract for Home to School Transport and approximately [REDACTED] of their business is with the council. [REDACTED]

The company is based in Doncaster and are classed as a local provider.

BZEB Taxis

This provider delivers [REDACTED] runs per week which represents approximately [REDACTED] of the council's overall total contract for Home to School Transport and approximately [REDACTED] of their business is with the council. [REDACTED]

BOX 4

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

1. **Not grant the supplier relief under SRS** – These providers would potentially not be able to cover on going fixed costs and subsequently not be available for providing the works from June 20 onwards. This is a vulnerable market and if not helped to cover fixed cost could lead to supplier failure that could ultimately lead to additional costs for the council.
2. **Grant relief in proportion to the amount of business contracted with the Council** – This would be proportionate but providers who usually have business income from elsewhere are receiving no income from this currently due to the crisis. They are reliant on the Council as they will not receive supplier relief from any other sectors they contract with. It is imperative that the Council sustains these providers to ensure they are stable when services resume. Government support and grants associated with supplier sustainability have been considered when calculating the figures.
3. **Give a percentage of the contract value** – this is an approach that was considered and discounted as the Council could not be assured that providers would not benefit inadvertently and a methodical approach to assessing each provider was established to ensure equity and transparency.

BOX 5

LEGAL IMPLICATIONS

1. Section 1 of the Localism Act 2011 provides the Council with a general power of competence, allowing the Council to do anything that individuals generally may do.
2. In March 2020 local authorities were asked by the Government to act to ensure suppliers at risk are in a position to resume normal contract delivery once the outbreak is over. This involved the consideration of a range of measures that might be considered by the Council examples of which are set down in the Cabinet Office Procurement Policy Note - Supplier relief due to COVID-19 Action Note PPN 02/20.
3. The report author is advised to comply with the Cabinet Office Procurement Policy Note - Supplier relief due to COVID-19 Action Note PPN 02/20 to ensure that the supplier relief is administered correctly.
4. The grants provided may be classed as State aid. The current Covid-19 de minimise levels for State aid is 800,000 euro which means that organisations/businesses receiving over 800,000 euro in government aid across the whole of their company in the past three years may be classed as receiving illegal State Aid. It is unlikely that these organisations will reach this level, but to be certain grant recipients should be asked to confirm that they have not exceeded that threshold.
5. A grant agreement in the form prepared for the supplier relief scheme (containing robust provisions about transparency and open book inspections) must be drawn and executed by each

grant recipient.

Name: [REDACTED]

Signature of Assistant Director of Legal and Democratic Services (or representative)

BOX 6

FINANCIAL IMPLICATIONS:

Fonacar

The annual contract with Fonacar amounts to approx. [REDACTED] and this expenditure is budgeted for within LOCYP budgets, however due to COVID-19 the Council has not used the service in the financial year 2020/21 to date.

	£	Detail
Fixed costs (Apr – June)	[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED]
Other funding/ Government Grants	[REDACTED]	[REDACTED]
Balance	[REDACTED]	
Percentage of business excluding other PSC contracts	[REDACTED]	[REDACTED]
Relief to be awarded	[REDACTED]	

The supplier relief of [REDACTED] the Council would incur on this contract over the three months period, [REDACTED]
[REDACTED]

Tommy's Taxis

The annual contract with Tommy's Taxis amounts to approx. [REDACTED] and this expenditure is budgeted for within LOCYP and Doncaster Children's Services Trust budgets, however due to COVID-19 the Council is only using [REDACTED] in the financial year 2020/21 to date.

	£	Detail
Fixed costs (Apr – June)	[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
Other funding/	[REDACTED]	

Government Grants		
Balance		
Percentage of business excluding other PSC contracts		
Relief to be awarded		

The supplier relief of [REDACTED] equates to 4% of the normal expenditure of [REDACTED] that would be incurred on this contract over the three months period, [REDACTED]

BZEB Taxes

The annual contract with BZEB amounts to approx. [REDACTED] and this expenditure is budgeted for within LOCYP budgets, however due to COVID-19 the Council has not used the service in the financial year 2020/21 to date.

Fixed costs (Apr – June)		
Other funding/ Government Grants		
Balance		
Percentage of business excluding other PSC contracts		
Relief to be awarded		

The supplier relief of [REDACTED] of the normal expenditure of [REDACTED] the Council would incur on this contract over the three months period, [REDACTED]

Name: [REDACTED]

Signature of Chief Financial Officer and Assistant Director of Finance (or representative)

BOX 7

OTHER RELEVANT IMPLICATIONS

Name: _____ **Signature:** _____ **Date:** _____

Signature of Assistant Director (or representative)

ANY IMPLICATIONS SENT TO DEPARTMENTS SHOULD GENERALLY BE SUBMITTED AT LEAST 5 WORKING DAYS IN ADVANCE TO ENSURE THESE CAN BE GIVEN THE RELEVANT CONSIDERATION.

BOX 8

EQUALITY IMPLICATIONS: (To be completed by the author).

There are no equality issues associated with this report, all providers are being treated equitably.

BOX 9

RISK IMPLICATIONS: (To be completed by the author)

- Market sustainability is a key risk, the approach the council have taken is based on the PPN 20_2020 Supplier Relief due to COVID19 which is not prescribed but advisory so there is uncertainty if this approach will sustain the market.
- DfE (Department for Education) has advised that there will be a Home to School Transport increased requirement of two to three times after COVID19
- Long-term increased costs if suppliers fail and the market is limited with providers
- Reputational risk to the council if the sector is not sustained

BOX 10

CONSULTATION

The relevant stakeholders including the Homes to School Transport Team and respective Head of Service have been consulted with.

BOX 11

INFORMATION NOT FOR PUBLICATION

It is in the public's interest to be aware of this decision record under the Freedom of Information Act 2000, The decision will be published with the following redactions

- All commercial information related to each provider.
- Signatures as this is personal information

Name: _____

Signature of FOI Lead Officer for service area where ODR originates

BOX 12

BACKGROUND PAPERS

Please confirm if any Background Papers are included with this ODR ~~YES~~/NO

(If YES please list and submit these with this form)

**BOX 13
AUTHORISATION**

[Redacted]

Assistant Director of Education, Skills, Culture and Heritage

Does this decision require authorisation by the Chief Financial Officer or other Officer

YES/NO

If yes please authorise below:

[Redacted]

Director of Corporate Services

Consultation with Relevant Member(s)

Name: Councillor Nuala Fennelly

[Redacted]

Date: 4th June, 2020

Designation Cabinet Member Children, Young People and Schools

(e.g. Mayor, Cabinet Member or Committee Chair/Vice-Chair)

Declaration of Interest YES/NO

If YES please give details below:

PLEASE NOTE THIS FORM WILL BE PUBLISHED ON THE COUNCIL'S WEBSITE IN FULL UNLESS IT CONTAINS EXEMPT OR CONFIDENTIAL INFORMATION.

Once completed a PDF copy of this form and any relevant background papers should be forwarded to Governance Services at Democratic.Services@doncaster.gov.uk who will arrange publication.

It is the responsibility of the decision taker to clearly identify any information that is confidential or exempt and should be redacted before publication.