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06 March 2012

S U M M O N S

MEETING: Policy and Organisation Board
DATE: 14 March 2012
TIME: 6.00 pm
PLACE: Committee Room 1, Town Hall, Gosport
Democratic Services contact: Geoff Rawling

LINDA EDWARDS
BOROUGH SOLICITOR

MEMBERS OF THE BOARD

The Mayor (Councillor Carter, CR) (ex-officio)
Councillor Hook (Chairman)
Councillor Burgess (Vice-Chairman)

Councillor Beavis	Councillor Philpott
Councillor Chegwyn	Councillor Ronayne
Councillor Lane	Councillor Smith
Councillor Langdon	Councillor Wright

FIRE PRECAUTIONS

(To be read from the Chair if members of the public are present)

In the event of the fire alarm sounding, please leave the room immediately. Proceed downstairs by way of the main stairs or as directed by GBC staff, follow any of the emergency exit signs. People with disability or mobility issues please identify yourself to GBC staff who will assist in your evacuation of the building.

IMPORTANT NOTICE:

- If you are in a wheelchair or have difficulty in walking and require access to the Committee Room on the First Floor of the Town Hall for this meeting, assistance can be provided by Town Hall staff on request

If you require any of the services detailed above please ring the Direct Line for the Democratic Services Officer listed on the Summons (first page).

NOTE:

- i. Councillors are requested to note that, if any Councillor who is not a Member of the Board wishes to speak at the Board meeting, then the Borough Solicitor is required to receive not less than 24 hours prior notice in writing or electronically and such notice shall indicate the agenda item or items on which the member wishes to speak.
- ii. Please note that mobile phones should be switched off for the duration of the meeting.

AGENDA

PART A ITEMS

RECOMMENDED
MINUTE FORMAT

1. APOLOGIES FOR NON-ATTENDANCE

2. DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter, any personal or personal and prejudicial interest in any item(s) being considered at this meeting.

3. MINUTES OF THE MEETING OF THE BOARD HELD ON 31 JANUARY 2012.

4. DEPUTATIONS – STANDING ORDER 3.5

(NOTE: The Board is required to receive a deputation(s) on a matter which is before the meeting of the Board provided that notice of the intended deputation and its object shall have been received by the Borough Solicitor by 12 noon on Monday, 12 March 2012. The total time for deputations in favour and against a proposal shall not exceed 10 minutes).

5. PUBLIC QUESTIONS – STANDING ORDER 3.6

(NOTE: The Board is required to allow a total of 15 minutes for questions from members of the public on matters within the terms of reference of the Board provided that notice of such Question(s) shall have been submitted to the Borough Solicitor by 12 noon on Monday, 12 March 2012).

6. BANKING ARRANGEMENTS

PART II

To consider and decide on the future of the Council's banking services for which the current contract expires on 31 March 2013.

Contact Officer:
John Norman
Ext 5316

7. CROSS REFERENCE FROM ECONOMIC DEVELOPMENT BOARD (26 JANUARY 2012)
TOURISM STAFFING ARRANGEMENTS

PART II

To inform Members of the decision of the Economic Development Board to bring the Gosport tourism marketing service in-house from the 1st April 2012 and seek approval to the creation of a full time Tourism Officer post to support delivery of this service.

Contact Officer:
Lynda Dine
Ext 5231

8. PROCUREMENT OF THE DIAL-A-RIDE SERVICE

PART II

To consider the proposals for the procurement of the Dial a Ride

Contact Officer:
Julian Bowcher

service From 1st February 2013. It is proposed, as in the previous tendering exercise, that Hampshire County Council will act as the lead authority with this Council being asked to sign a Memorandum of Agreement for joint funding of the service. The report also covers the recent scrutiny of the Gosport Dial a Ride Service Undertaken by the Overview and Scrutiny Committee.

9. ANY OTHER ITEMS
which the Chairman determines should be considered, by reason of special circumstances, as a matter of urgency.
10. EXCLUSION OF PUBLIC

To consider the following motion:

That in relation to the following items the public be excluded from the meeting, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraphs 1, 3 and 7 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all circumstances of the case, the public interest in maintaining the exemptions outweighs the public interest in disclosing the information, for the reasons set out in the reports.

PART B ITEMS

FOLLOWING THE EXCLUSION OF THE PRESS AND PUBLIC

Item No.	Item	Paragraphs no. 1, 3 & 7 of Part I of Schedule 12A of the Act	
11.	RISK BASED VERIFICATION	Paragraph 7 Reason: The information relates to the actions to be taken in order to prevent and investigate fraudulent claims. Disclosure of this information could prejudice such prevention and investigation of crimes and therefore the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	PART II Contact Officer: Stephanie Pride Ext: 5338

Policy and Organisation Board
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12	EARLY RETIREMENT	Paragraphs 1 & 3 Reason: The report identifies a specific individual and information regarding their personal financial affairs. The public interest in the Council's overall affairs can be met in other ways without releasing such personal information and therefore the public interest in maintaining the privacy of personal information outweighs the public interest in the Council's financial affairs.	PART II Contact Officer: Julie Petty Ext: 5381
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AGENDA ITEM NO. 6

Board/Committee:	POLICY & ORGANISATION BOARD
Date of Meeting:	14 MARCH 2012
Title:	BANKING ARRANGEMENTS
Author:	FINANCIAL SERVICES MANAGER
Status:	FOR DECISION

Purpose

This report considers and recommends on the future of the Council's banking services for which the current contract expires on 31 March 2013.

Recommendation

1. That pursuant to Contract Procedure Rule 3 the Board agrees to waive Contract Procedure Rule 8.1 for the reasons set out at Paragraph 2.9 of this report.
2. The Council enters into a 3 year contract with the National Westminster Bank plc for the supply of banking services from 1 April 2012.

1 Background

- 1.1 The Council's present banking services contract is with the National Westminster Bank plc.
- 1.2 The initial contract commenced on the 1 April 1998 and was for a period of 5 plus 2 years. P&O Board agreed on the 21 September 2004 to extend the contract for a 3 year period to 31 March 2008.
- 1.3 P&O Board on 14 November 2007 approved the Council entering into a further 5 year contract with the National Westminster Bank to 31 March 2013 and to the waiving of contract standing orders.
- 1.4 In advance of the present contract end date of 31 March 2013, this report considers the steps that have been taken to secure the most cost effective option for the Council and recommends thereon.

2 Banking Services

- 2.1 Financial procedure rules (C.33) state that: 'Arrangements and terms for banking shall be in accordance with a contract that shall from time to time be subject to competitive tender '
- 2.2 The key factors affecting the cost and supply of banking services to the Council are :
- Ensuring value for money for Council Tax Payers
 - Ensuring a responsive and supportive banker
 - Ensuring a proactive approach to future changes in the way banking matters are conducted (e.g. electronic payments, faster payments etc)
 - The time and cost involved in a re-tendering exercise
 - The logistics, additional costs and risks caused by changing banking arrangements (e.g. re-arranging direct debits, reprinting stationery etc).
 - Adherence to Financial Procedure Rules.
- 2.3 Officers have sought quotations from the National Westminster Bank for banking tariffs beyond 31 March 2013 in order to then obtain independent advice that the above factors are being complied with.
- 2.4 The National Westminster Bank provided a proposal to extend the banking contract for 3 years from 1 April 2012. This proposal was then examined by Focus on Banking, independent consultants, who were engaged to undertake a benchmarking exercise to consider the National Westminster's proposed tariffs against those generally obtainable in the wider banking services market.
- 2.5 The results of the benchmarking exercise confirmed that the proposed tariff was competitive and provided several areas where the Council has scope to further reduce the annual costs in conjunction with existing initiatives such as promoting the use of direct debit payments.
- 2.6 Based on the transaction volumes supplied by the National Westminster and used in the benchmarking exercise, the proposed tariffs yield an annual cost of £20,745 (three year period £62,235 before inflationary increases) compared to the nearest annual benchmark of £23,446 (three year period £70,338). The Council's total bank charges will include not only these banking charges but also other charges such as those from credit card operators for payments made to the Council using credit cards.
- 2.7 Contract procedure rule 8.1.1 provides for an award procedure as follows
Total value £20,000 less than £50,000 - Three written quotations
Total value £50,000 less than £100,000 - Three tenders
- 2.8 Section 3 of the contract procedures provides for the waiving of these requirements by boards providing the EU threshold is not exceeded.

2.9 This report recommends the waiving of Contract Procedure Rule 8.1 as the sum at 2.6 is below the EU threshold and the time and cost involved in a re-tendering exercise combined with the logistical challenges and risks caused by any potential changing of banking arrangements would not ensure that value for money continues to be obtained for Council Tax Payers. The independent benchmarking exercise at 2.5 and 2.6 provides an assurance that the Council's banking arrangements continue to be cost effective and appropriate.

3 Risk Assessment

3.1 The tariffs are contractually binding and therefore constitute a low risk.

4 Conclusion

4.1 The proposed tariffs offered by The National Westminster Bank are the most cost effective option for the Council and this report recommends their acceptance.

Financial Implications:	The proposed extension to the banking services contract is the most cost effective option as outlined in the report.
Legal Implications:	None for the purposes of this report
Service Improvement Plan Implications:	By securing the most cost effective option this report is consistent with the general aim of maximising the use of scarce resources
Corporate Plan:	
Risk Assessment:	See section 3
Background Papers:	1. National Westminster proposed tariffs 2. Focus on Banking benchmarking exercise
Appendices / Enclosures:	None
Report Author / Lead Officer:	John Norman / Keith Price

AGENDA ITEM NO. 7

Board/Committee:	Policy & Organisation Board
Date of Meeting:	14th March 2012
Title:	Cross Reference from Economic Development Board (26 January 2012) Tourism Staffing Arrangements
Author:	Chief Executive
Status:	For Decision

Purpose

To inform Members of the decision of the Economic Development Board to bring the Gosport tourism marketing service in-house from the 1st April 2012 and seek approval to the creation of a full time Tourism Officer post to support delivery of this service.

Recommendation

That Members' approve the creation of a full time Tourism Officer post, effective from 1st April 2012.

1.0 Background

1.1 The Council has contracted out its tourism marketing service to Tourism South East (TSE) for a number of years. The arrangement with TSE has cost approximately £25,500 per annum and involved a combination of hours from a marketing assistant, marketing manager and occasional support from other TSE officers to deliver a range of marketing initiatives, including the production of an annual Visitor Guide, participation in national marketing campaigns, exhibitions and industry liaison.

1.2 In addition to the service provided by TSE, the Council has provided officer support to assist with marketing and development of tourism services in Gosport. The total cost of the tourism marketing service is approximately £56,000 per annum, with a further £16,000 allocated as a marketing budget.

2.0 Review of Gosport Tourism Services

2.1 Since the Council last approved a 3-year Service Level Agreement with TSE for the provision of the Gosport tourism marketing service there have been a number of changes affecting tourism services at a national, regional and local level. Aware that the current Service Level Agreement with TSE was due to expire on 31st March 2012, it was felt prudent to

review the potential impact of tourism policy changes before determining how best to deliver Gosport's tourism services in the future.

- 2.2 At its meeting on 26th January 2012, the Council's Economic Development Board considered the findings of this review and, as a result, approved the recommendation that the Gosport tourism marketing service be provided solely in-house with effect from 1st April 2012. In approving this recommendation, the Board also confirmed its support for the proposal to establish a permanent Tourism Officer post within the Economic Prosperity, Tourism & Culture team, to ensure that staff resource is available to deliver the tourism marketing service from 1st April 2012.
- 2.3 Approval is therefore sought to the recommendation that a full time Tourism Officer post be created, with effect from 1st April 2012. If approved, this will result in the current temporary Tourism officer post being added to the permanent establishment and provide a budget to support the development of new tourism products and services.

3.0 Resource Implications

- 3.1 This proposal should reduce duplication of staff effort and free up resource to develop initiatives that will help grow the Gosport tourism economy. The financial implications are contained within the Council's approved budget for 2012/13.

4.0 Risk Assessment

- 4.1 Changes in national tourism policy, and the internal review of Gosport's tourism marketing services, highlighted the shortfalls associated with the Council's current contracting arrangements with TSE and the risk these pose to the development of Gosport's visitor economy.
- 4.2 The decision of the Economic Development Board has the potential to minimise this risk by reducing unnecessary duplication and helping to improve the quality and range of tourism services and partnerships.
- 4.3 At present, the service is supported by a temporary one-year Tourism Officer post. A permanent appointment will minimise the risk of disruption to the service and help ensure capacity exists to support delivery.

5.0 Legal Implications

- 5.1 Since the TSE resource involved only a very small percentage of a range of officers' time, there are no TUPE implications and this decision does not affect their staffing.

Financial Services Comments:	Implications arising from this report are covered within the budget for 2012/13
Legal Services Comments:	None
Service Improvement Plan Implications:	Contributes to EPT&C/049 and EPT&C/050
Corporate Plan:	Contributes to Prosperity: Attracting investment to Gosport's economy; Promoting Tourism Opportunities
Risk Assessment:	See Paragraph 4.0 of this report
Background Papers:	Report on Tourism Partnership Arrangements, Economic Development Board 26.1.2012
Appendices/Enclosures:	N/A
Report Author/Lead Officer:	Lynda Dine

AGENDA NO. 8

Board/Committee:	Policy and Organisation Board
Date Of Meeting:	14 March 2012
Title:	Procurement of the Dial-a-Ride Service
Author:	Financial Services Manager
Status:	For Decision

Purpose

The purpose of this report is to consider the proposals for the procurement of the Dial a Ride service From 1st February 2013. It is proposed as in the previous tendering exercise that Hampshire County Council will act as the lead authority with this Council being asked to sign a Memorandum of Agreement for joint funding of the service. The report will also report on the recent scrutiny of the Gosport Dial a Ride Service Undertaken by the Overview and Scrutiny Committee.

Recommendation

The Board is requested to:-

- (i) To agree the proposed 'Memorandum of agreement for joint funding of the Gosport Dial-a-Ride service contracted through Hampshire County Council'.
- (ii) Consider the findings and recommendations of the Scrutiny of the Dial-a-Ride Service undertaken by the Overview and Scrutiny Committee.
- (iii) Request the Dial-a- Ride Working Group meet with representatives of Hampshire County Council to take forward the tendering process and evaluation for the provision of the Gosport Dial-a-Ride service from 1 February 2013.

1.0 BACKGROUND

1.1 Dial-a-Ride is a door to transport service using specially adapted vehicles with handrails, low steps and passenger lifts to transport passengers with or without wheelchairs. It is available to residents of Gosport and Fareham registered with the service who find it difficult or impossible to use conventional public transport because of mobility or sensory impairment.

- 1.2 The service is available between 0830 and 1600 on weekdays, subject to advance booking, on a first come first served basis. The service to Gosport Residents is provided by one bus all week with an additional bus available on Thursdays. Any destination for any purpose, except for medical reasons, within Gosport and Fareham is permitted. Where passengers need to be accompanied a named escort may travel with them without charge. The current fare is £3 return for those passengers holding a concessionary bus pass.
- 1.3 The current Dial-Ride-Service for Gosport residents is provided by Fareham and Gosport Dial-a-Ride which is administered by Fareham Community Action. The estimated cost related to Gosport recipients of the scheme are funded by Local Authority Grant (50% Gosport Borough Council and 50% Hampshire County Council) and a small charge to the users of the service.
- 1.4 Gosport Dial-a-Ride made a total of 3,123 trips (a trip is a single journey with return travel representing 2 trips) in 2011 which represented a small increase from the number of trips carried out in 2010 of 3,107 trips. However this usage was significantly lower than that achieved in 2009 of 4,219 trips. The total subsidy paid per operating hour is approximately £21. This is higher than most other Hampshire Authorities where the corresponding figure is typically between £16-£19 per operating hour.
- 1.5 Hampshire County Council are currently starting to embark on a tendering exercise to procure the Dial-a-Ride service for a 4 year and two month period commencing 1 February 2013. It is intended to review the procedures in the light of the experiences gained from the previous (and initial) tendering process taking into account this Council's and other district Council feedback.

2.0 SCRUTINY OF THE GOSPORT DIAL-RIDE SERVICE

- 2.1 The Gosport Dial-a-Ride Service was suggested for scrutiny at the meeting of the Overview and Scrutiny Committee 27th June 2010. There were concerns over whether the level of service to people who needed help justified the funding (£23,500 in 2010/11) supplied by the Council. Following an initial report to the Overview and Scrutiny Committee 22 July 2010 a working group was set up and tasked to report back to the Overview and Scrutiny Committee 27 January 2011.
- 2.2 The report gave a summary of the findings of the group and highlighted a number of concerns regarding the service. It was felt that the Council was not currently getting value for money from the service and that remarketing of the service was essential. It was highlighted the cost per trip at approximately £13.50 remained at double the Hampshire

average and there remained a lack of awareness of the service within the Borough

2.3 Concerns were also expressed regarding the need to attract new users of the service and ensure they would have a fair allocation of slots to use the service compared to existing users.

2.4 To help address the concerns the Dial-a Ride Working Group proposed a number of recommendations primarily advocating the remarketing of the service and proposing further monitoring of the success or otherwise of that remarketing by the group. A particular emphasis was proposed on attracting new users of the service and the Group wish to monitor not only the number of new users but also how many become regular users of the service. It was agreed that the progress towards these objectives be reported to the working group on a regular basis and reviewed by Overview and Scrutiny Committee.

2.5 A further report from the Dial-a-Ride Working Group was submitted to The Overview and Scrutiny on 14 November 2011. In summary it was advised that although some increase in numbers using the service had been achieved the Committees main concerns were summarised as:-

- Performance of the service especially the cost per trip;
- Decline in the number of users and ineffectiveness in the promotion of the service; and
- Unreliable Data.

2.6 Following consideration of the report the following recommendations were agreed.

- i. the working group should review performance figures of dial-a-Ride in January 2012. If the figures have not increased, then serious consideration should be given to either reducing and/or changing the level of service taking which days the service currently operates efficiently into consideration;
- ii. Community Action Fareham are to continue to market the service, including the promotion of the £3 return trip fare;
- iii. the performance figures from end of 2011 should influence the shape of the service being tendered for in 2013;
- iv. a performance clause should be present in the next contract. Should the performance of the Dial-a-Ride scheme not improve, then there should be the ability to reduce the service; and
- v. there should be full and timely Member involvement in the process to take advantage of the expertise gained during the scrutiny;
- vi. The Dial-A-Ride Scrutiny Working Group would organise a meeting

in February 2012 , invite Hampshire County Council Officers to attend, and consider the timetable and scope for the next tender process for the Gosport Dial-a-Ride service.

- 2.7 A meeting of the Dial-A Ride Working Group was held on 20 February 2012 with CAF initially reporting on current performance of the Dial-a-Ride Service followed by an initial discussion with HCC officers relating to the tendering process. In recent months including statistics supplied by CAF relating to January there has been an increase in the number of trips carried out compared to that achieved in 2010/11. CAF advised there were confident they could achieve further improvement.

3.0 PROPOSED TENDER

- 3.1 Hampshire County Council have indicated the current timetable for the tender to be as follows:-

- Feb 2012 - assess returned Pre-Qualification Questionnaire, seek references etc - draw up list of tenderers.
- By mid-April 2012 - confirm service specifications for each service
- By end of April - tenders issued (out for 6 to 8 weeks).
- Late June/July - tender evaluation (districts invited to participate in scoring groups to evaluate quality, as last time).
- August - evaluation completed - draft reports for Exec Member agreement.
- By end October - contracts formally awarded.
- October 2012 to end January 2013 - three months for any transfer of contracts between outgoing and incoming contractor to be planned, to ensure a smooth transition.

- 3.2 The County Council have indicated they wish to consider a 4 year and two months contract term with an option to extend for a further two years subject to continued funding being available and satisfactory performance by the contractor.

- 3.3 The County Council have asked the districts to confirm their funding commitment before the proposed issue of the contracts in April 2012. In order to do this the Board is being asked to agree a Memorandum of Agreement similar to that currently in place for the existing service (Appendix A).

- 3.4 The proposed period of agreement as stated above is four years with the option to extend for a further two years, however it can be seen that the termination arrangements (Section 5) enables this Council to terminate the agreement by giving not less than six calendar months' written notice to the other, such notice to expire either on 31 March or 30 September in any year.

4.0 GBC REPRESENTATION ON TENDER PROCESS

- 4.1 As stated above the Overview and Scrutiny Board have recommended 'that there should be full and timely Member involvement in the process to take advantage of the expertise gained during the scrutiny'. Hampshire County Council have suggested that full member involvement in shaping the tendering process including specification, criteria etc would be appropriate.
- 4.2 HCC have offered meetings with the Council's Dial-a-Ride Working Group to discuss the issues associated with the detail of the tender process. These include issues such as the service specification , the extent to which variant bids would be deemed acceptable and the procedures relating to the tender evaluation itself (including the relative weightings regarding price , service pattern and quality). It is anticipated that these discussions would have regard to the recommendations made by the Overview and Scrutiny Committee outlined above such as the inclusion of further performance clauses within the contract.

5.0 FINANCIAL IMPLICATIONS

- 5.1 As stated previously the principle funding for the Dial-a-Ride service are the contributions made by Hampshire County Council and Gosport Borough Council on a 50:50 basis as specified in the current service agreement. An estimated cost to this Council of £22,920 is included within this year's revised budget. A sum of £24,430 has been included in the budget for 2012/13.
- 5.2 Informal discussions with the County Council have suggested that should this Council reduce its financial contribution the County Council would seek to maintain the 50:50 split. If this Council decides not to contribute towards the service there is a high risk that the Gosport Service will not be tendered.

6.0 RISK ASSESSMENT

- 6.1 As in all competitive tendering exercises there is a risk that no satisfactory tenders will be received in terms of price, quality or both in addition to an operator being awarded the contract but being unable to provide the service promised. Conversely the competitive tendering process could result in a reduced price, higher quality service. In order to reduce this risk the tender specification is being structured to attempt to reduce possible barriers to potential tenderers
- 6.2 The affect of this Council substantially reducing or withdrawing its contribution are highlighted in paragraph 5.2 and could lead to the contribution from HCC being reduced or the service no longer being provided.

7.0 CONCLUSION

- 7.1 The current Dial-a-Ride Contract finishes on 31 January 2011 and HCC are currently embarking on a tendering exercise with the objective of awarding a new contract from 1 February 2012. The proposed term for the new contract is four years and two months with a possible extension of two years subject to performance and funding availability.
- 7.2 There has been some concern expressed regarding the performance relating to the current contract where low usage has resulted in higher than average cost per trip statistics compared with other schemes in the County. As a result this Council's Overview and Scrutiny Committee has undertaken a scrutiny of the Dial-a-Ride Service and a number of recommendations have been forthcoming and are detailed in this report for consideration.
- 7.3 The funding of the Dial-a-Ride service has historically been on a 50:50 basis between this Council and the County Council and budgetary provision has been included in 2012/13 on this basis.

Financial Implications:	As detailed in report
Legal Implications:	None for the purposes of this report
Service Improvement Plan implications:	None
Corporate Plan:	The provision of the Dial a ride Service assists the strategic priority relating to improved social inclusion.
Risk Assessment:	See paragraph 5
Background papers:	HCC-Future Funding arrangements for Community Transport Schemes
Appendices/Enclosures:	Appendix A- Memorandum of Agreement for the Joint Funding of Gosport Dial-a-Ride
Report Author/Lead Officer	Julian Bowcher

**MEMORANDUM OF AGREEMENT FOR JOINT FUNDING
OF GOSPORT DIAL A RIDE SERVICE CONTRACTED
THROUGH HAMPSHIRE COUNTY COUNCIL**
(see attached)



FUNDING PARTNERS

Hampshire County Council of The Castle, Winchester, SO23 8UD (“HCC”)
Gosport Borough Council of Town Hall, High Street, Gosport, PO12 1EB
 (“GBC”)

DETAILS OF PROJECT

The purpose of this Agreement is to affirm the following:

1. partnership principles behind the funding,
2. roles and responsibilities of the funding partners,
3. arbitration and
4. termination

...in respect of Gosport Dial a Ride (the “Contract”).

1. PERIOD OF AGREEMENT AND FUNDING

The period commencing on 1 January 2010 for a period of three years, one month and thereafter subject to extension(s) of further periods upon agreement of all funding partners.

The funding partners will pay a percentage of the Contract Price (£41,332) plus a percentage of monies for vehicle replacement (£4,500) as follows:

	% of Contract Price	% of vehicle replacement
HCC	50	50
GBC	50	50

On the 1 April 2010 and 1 April in any subsequent years, the funding partners shall apply an adjustment to the Contract Price in line with inflation as specified in Clause 6.2 in the Special Conditions of Contract for Dial a Ride/Call & Go, Version 1 July 2008 (see attached).

APPENDIX A

FUNDING DETAILS

Financial year	Total Annual payment	GBC payment	Terms of payment	Date due
2009/10	Contract Price: £10,333	Contract Price: £5,166.50	Monthly £1,722.17	15 th of each calendar month from 1 Jan. 09
	Vehicle Replacement: £1,125	Vehicle Replacement: £562.50		
2010/2011	Contract Price: £41,332*	Contract Price: £20,666*	Monthly £1,722.17*	15 th of each calendar month
	Vehicle Replacement: £4,500	Vehicle Replacement: £2,250		
2011/12	Contract Price: £41,332*	Contract Price: £20,666*	Monthly £1,722.17*	15 th of each calendar month
	Vehicle Replacement: £4,500	Vehicle Replacement: £2,250		
2012/13	Contract Price: £34,444*	Contract Price: £17,222*	Monthly £1,722.17*	15 th of each calendar month until 31 Jan. 13
	Vehicle Replacement: £3,750	Vehicle Replacement: £1,875		

*subject to year on year inflationary increases as detailed above.

Invoices shall be addressed to:
 Julian Bowcher
 Gosport Borough Council
 Town Hall
 High Street
 Gosport
 PO12 1EB

VEHICLE REPLACEMENT MONIES

The funding partners agree that they will each contribute in the agreed percentages monies for the replacement of vehicles required to maintain the service. Such contributions will be paid to Hampshire County Council as Lead Partner as agreed above. Hampshire County Council shall ensure that such monies are identified separately within its accounts by placing them in a reserve account where the monies will accumulate interest. Hampshire County Council acknowledge that they hold the monies on behalf of the funding partners for the sole purpose of purchasing replacement vehicles and that monies and interest will not be used for any other purpose without the prior consent of the funding partners. In the event that the monies are not used for vehicle replacement purposes or any other purpose authorised by

APPENDIX A

the funding partners then upon the unanimous request of the funding partners, Hampshire County Council shall return such monies and interest as remain in the reserve account to the funding partners in the same proportions as they contributed to the reserve account.

2. ROLES AND RESPONSIBILITIES

The funding partners will have representative membership at the routine meetings with the Contractor as specified in Clause 5.2.2 in the General Conditions of Contract for the Provision of Passenger Transport Services, Version 1 July 2006.

4. DISPUTE RESOLUTION

The funding partners shall use reasonable endeavours to resolve by agreement any dispute between them with respect to any matter relating to this Agreement. In the event of there being a dispute over any part of this Agreement the matter shall firstly be referred to the Community Transport Manager and the District Council's Authorised Officer ("the representatives"). In the event that the representatives are unable to resolve any dispute the matter shall be referred to the Council's Director of Environment or his/her representative and a principal officer of the District Council.

In the event that a dispute cannot be resolved by agreement the funding partners may agree to refer the dispute to an independent person to be agreed between the funding partners. Any charge made and expenses reasonably incurred by an independent person so appointed shall be paid for by the funding partners in equal shares unless the independent person determines that a greater share should be borne by one of the funding partners. Such independent person shall be given all information and assistance by the funding partners in carrying out his duties and the funding partners may agree that such independent person shall have the duty to recommend or approve terms for the settlement of the dispute.

Any dispute which cannot be resolved by such means including failure to agree on an independent person shall, unless the funding partners agree otherwise, be referred to arbitration under the provisions of the Arbitration Act 1996 by a single arbitrator to be appointed by the Chairman for the time being of the Chartered Institute of Arbitrators. The costs of any arbitration will be borne by the unsuccessful funding partner, unless otherwise determined by the funding partners or the arbitrator, irrespective of which funding partner referred the dispute to the expert or to arbitration.

This section is severable from the rest of the Agreement and shall remain valid and binding on both funding partners notwithstanding any termination of the Agreement.

5. TERMINATION

Subject to paragraph 6, this Agreement may be terminated by either party in writing at a date mutually agreed or by not less than six calendar months' written notice to the other such notice to expire either on 31 March or 30 September in any year.

6. FUNDING PARTNERS AGREEMENT

On behalf of the funding partner(s) identified above I confirm the funding partners agreement to fund the Contract and make payments as set out above. I understand that if either funding partner withdraws from this arrangement before the expiry of the term agreed, without giving six months' notice in writing or fails to pay the contributions, this may give rise to a compensation payment in respect of additional costs incurred by the Contractor and /or the other funding partner, and agree that such costs as may be reasonably incurred as a result of its actions can be recovered from the defaulting funding partner.

Signed on behalf of Hampshire County Council

.....

Date

Signed on behalf of Gosport Borough Council

.....

Date