



Title of report: Passenger Transport Open Framework

Decision maker: Cabinet member transport and infrastructure

Decision date: 24 September 2026

Report by: Head of Transport and Access Services

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose

That the cabinet member transport and infrastructure approves the establishment and implementation of a new Open Framework for Passenger Transport Services.

Recommendation(s)

That:

- a) To approve the implementation of a new Open Framework for Passenger Transport Services; and**

- b) To delegate authority to Chief Operating Officer – Resident Services, in consultation with Cabinet Member for Transport and Infrastructure to take all necessary operational decisions, including but not limited to entering into contracts or other legal agreements, as required to implement this decision by December 2027.**

Alternative options

Option 1 - Dynamic Markets (not recommended)

1. A dynamic market is a list of qualified suppliers (i.e. suppliers who have met the 'conditions for membership' of the dynamic market) who are eligible to participate in future procurements. A dynamic market may be split into categories with suppliers only eligible to participate in the parts for which they have qualified.
2. Dynamic markets are dynamic insofar as they must remain open to new suppliers to join at any time. They can be used for all types of purchases of goods, services or works. However, they do not allow as much flexibility as a DPS as they cannot be used to procure below UK threshold contracts which are service contracts with a value of below £173,100 (net).
3. The requirements for the service are to procure a wide range of passenger services which will include contracts with values that are both, below and above the UK services threshold.
4. A dynamic market is therefore not a suitable option for the Council's transport requirements.

Option 2 – Framework (also known as a closed framework) (not recommended)

5. A framework is a contract between the Council and one or more suppliers that establishes the terms for awarding future contracts to the supplier or suppliers, known as "call-offs". The framework sets out the provisions under which future contracts for the supply of services are to be awarded.
6. This mechanism allows the Council to make regular purchases of services efficiently over a period without needing to run repetitive, full-scale tender processes each time.
7. The maximum duration of a framework is 4 years. There is no minimum or maximum number of suppliers that must be appointed to a framework. However, the suppliers remain fixed on the framework for the duration and there is no ability to add suppliers during the term of the framework.
8. A framework is therefore not a suitable option for the Council's transport requirements.

Preferred Option

Open Framework

9. The Procurement Act 2023 introduced a new type of framework called an open framework, which is a scheme of successive frameworks awarded on substantially the same terms. The maximum duration for an open framework is 8 years. It is a contract between the Council and suppliers that establishes standardised terms for awarding future contracts to suppliers, known as "call-offs". Call-off contracts can be made with or without competition and for both below and above UK threshold value contracts. Call-offs without a competitive selection can be made if the framework includes the main terms of the call-off and an objective mechanism for supplier selection.
10. It allows the Council to make regular purchases of services efficiently over a period without needing to run repetitive, full-scale tender processes each time. The framework can be divided into Lots to categorise different types of services. It is anticipated that there will be 3 Lots:

- Lot 1: Passenger Carrying Vehicles contracted transport (including an option for provision of passenger assistants),
 - Lot 2: Hackney/Private Hire Transport (including an option for provision of passenger assistants)
 - Lot 3: Public transport
11. Unlike a DPS, suppliers cannot apply to join an open framework at any time, however the open framework can be re-opened as required throughout the term to allow new suppliers to join the framework promoting ongoing competition and flexibility.
 12. It can be reopened at any time but must be reopened at least twice being:
 - once during the period of 3 years from award of the first framework under the scheme, and
 - within a period of 5 years beginning on the award of the second framework in the scheme.

Key considerations

Background

13. The recent changes introduced by the Procurement Act 2023 do not allow the Council to continue to utilise the Dynamic Purchasing System (DPS) process. The DPS currently used by the Council to procure Passenger Transport was extended for 18 months from June 2026 and is due to terminate in December 2027. A procurement mechanism is therefore sought to replace the DPS.
14. The key objective of the new open framework is to design and implement a compliant, flexible, and efficient replacement procurement mechanism for the continued commissioning of Passenger Transport services; including home-to-school transport, SEND transport and public transport. This will enable Commissioners to source services quickly, cost-effectively, and in line with safeguarding, accessibility and sustainability requirements. The Council wishes to encourage greater supplier diversity and market competitiveness.
15. Failure to establish a compliant replacement for the Dynamic Purchasing System would create a significant risk to the Council's ability to deliver home-to-school, SEND and public transport services efficiently. The volume of contracts and the regular need to amend, replace or introduce services would make full procurement processes for each requirement impractical, resource-intensive and disruptive to service continuity.
16. The Council's statutory responsibilities for school travel assistance are detailed within the Herefordshire School Travel Assistance Policy and are informed by the requirements of the Education Act 1996 and the Department for Education's *Travel to School for Children of Compulsory School Age* guidance (May 2026).
17. The Council is required by law to provide home to school travel assistance for eligible children in accordance with its statutory duties. In addition, the Council operates discretionary transport schemes, including transport support for post-16 learners and the Vacant Space Payment Scheme for children aged 4 to 16, both of which require a parental contribution.
18. The proposed framework does not change eligibility for home-to-school or SEND transport. It is a procurement mechanism that enables the Council to continue commissioning the transport services required.

19. The Council currently supports over 4,500 children and young people by transporting them to and from school or college each day.
20. The operation of this is complex and involves over 450 transport routes, supported by over 70 transport providers ranging from bus and coach companies to local taxi services.
21. In line with current trends, it is expected that the number of children and young people requiring travel assistance will continue to increase over the lifetime of the framework period, unless significant policy reforms are introduced. This is due to rising demand for SEND transport and higher operating costs. The Council has recently reviewed its home to school transport policies, including entitlement criteria to help manage demand. There has also been recent investment into a new transport management system to ensure that route planning is optimised, and data is more easily accessible. The council is also operating a trial scheme providing in-house delivery of selected transport routes.
22. Demand for transport is broadly repeatable and cyclical, aligned to the academic year and established routes. However, there is inherent variability, particularly within SEND provision, where individual needs may require bespoke routes, specialist vehicles, or enhanced supervision. Demand levels are influenced by demographic changes, school placements, and statutory assessments, meaning that while there is a stable baseline, there must be flexibility to respond to substantial in-year changes.
23. Public transport services support residents by providing affordable, reliable, and accessible travel options that connect people to employment, education, healthcare, shopping, and social opportunities, helping to reduce isolation and improve quality of life. Public transport services currently provide 56 routes across the county.
24. According to Department for Transport annual bus statistics, approximately 1.8 million local bus passenger journeys were made in Herefordshire in the year ending March 2025. This represents an increase from around 1.5 million journeys in 2023, indicating continued recovery and growth in bus patronage across the county.
25. A market engagement process has been completed to establish market feedback and ensure existing providers and the wider market are aware of the upcoming procurement opportunity. Current suppliers and local trade associations were notified, and relevant information has been shared with them pre and post market engagement regarding the upcoming opportunity. It should be noted that the upcoming opportunity is not limited by local authority boundaries. Suppliers and drivers from outside Herefordshire will be eligible to provide services, just as Herefordshire-based providers may deliver services for other councils. This approach promotes competition and helps ensure sufficient transport capacity to meet increasing demand.

Community impact

26. The Passenger Transport Framework will support the Council in delivering safe, reliable and accessible transport services for children, young people and residents. It will enable the Council to continue meeting its statutory duties for home-to-school and SEND transport, while maintaining access to public transport services where required.
27. The framework will promote inclusion and equality of opportunity, support improved outcomes for vulnerable residents, encourage a diverse and competitive provider market, and help deliver value for money through efficient commissioning and sustainable transport solutions.
28. The provision of an open framework is intended to encourage greater engagement with local business include SMEs. This will in turn support the local economy and employment.

Environmental impact

29. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
30. This decision has no direct climate change implications. However, a flexible procurement mechanism supports the opportunity to optimise routes more effectively; delivering potential benefits in reducing mileage and carbon emissions. There is also the potential to more efficiently transfer single passenger journeys into multi-passenger journeys, enabling a reduction in the number of vehicles travelling throughout the county on a daily basis.

Equality duty

31. Due to the scope of this procurement framework and its potential impact on certain protected characteristics, an Equality Impact Assessment (EIA) is attached as an appendix to this report.
32. In summary, the proposed Passenger Transport Open Framework is expected to have a positive impact on all three elements of the Public Sector Equality Duty. Whilst the framework is a procurement mechanism and does not alter transport eligibility or service entitlements, it supports the continued provision of accessible home to school transport, SEND transport and public transport services. The framework will help maintain service resilience, encourage supplier diversity and support equitable access to education, healthcare, employment and community opportunities for residents across Herefordshire.
 - a) *Eliminate discrimination*: Positive – The Open Framework supports the elimination of discrimination by requiring transport providers to meet appropriate accessibility, safeguarding and equality requirements.
 - b) *Advance equality of opportunity*: Positive – Supports the continued delivery of transport services, which enable people, particularly disabled children and young people, to access education, healthcare, employment and community opportunities that may otherwise be unavailable to them.
 - c) *Foster good relations*: Positive – Accessible and inclusive transport services help people participate in education, employment and community life, reducing social isolation and promoting inclusion. Public transport services in particular support community cohesion by improving connectivity and access to services.

Resource implications

Financial

33. The proposed Open Framework does not create any additional financial commitment or increase Council expenditure. It establishes a compliant procurement mechanism through which transport providers can bid for and be awarded passenger transport contracts as and when required.
34. Expenditure on Special Educational Needs and Disabilities (SEND) transport, Home to School Transport and Public Transport services is funded through existing Council revenue budgets. The estimated costs for 2027/28 are £20.2 million which is the approved transport contracts budgets for continuation of existing transport provision plus the growth and inflation assumptions included in the Medium Term Financial Strategy.

35. The proposed Open Framework will operate for a maximum term of eight years. Based on projected demand and current expenditure levels, the total value of contracts awarded through the framework over its eight-year lifetime is estimated to be approximately £180 million. This figure represents the anticipated cumulative value of transport services commissioned through the framework. It is not a new financial commitment arising from this decision. Individual contracts will be commissioned as required and funded through approved Council budgets.

Staffing

36. Sufficient staffing capacity and expertise will be required to support the effective operation and ongoing management of the Open Framework. This will include administering and assessing supplier applications during framework reopening periods, undertaking due diligence and compliance checks, managing provider onboarding, and publishing the notices and transparency requirements mandated under the Procurement Act 2023. Appropriate procurement, commissioning and contract management resource will be essential to ensure the framework remains compliant, responsive to service needs, and capable of supporting a competitive and diverse provider market.

Legal implications

37. This decision is not requiring authorisation to commit expenditure but rather to set up the procurement framework under which future expenditure will be committed. The amount of the expenditure will determine the governance and decision route that will be taken.
38. The relevant legal provisions for this decision can be found in the council's constitution, www.herefordshire.gov.uk/constitution.

Risk management

- 39.

Risk / opportunity	Mitigation
Risk - Delivery will require careful resource management and availability of subject matter experts	Establish roles and responsibilities, set realistic timescales, delegate work to key service areas. Revisit the timescales at the monthly Project Board and revise accordingly & allocate resource to limit project drift.
Risk - Delivery will require strong programme oversight	Project management resource and monthly project board meetings.
Limited supplier diversity and participation	Extensive and varied advertising of the market engagement events and resources to support participation.
Risk - Over complex structure	Restrict framework to 3 Lots to encourage SME participation and reflect market capability.
Risk - Risk of the tender documents being too complex for small providers – could result in the council receiving relatively few bids which may impact on service coverage and uptake rates.	Review and consider responses received following market engagement sessions. However, tender documents must comply with legislation and the Council's Contract Procedure Rules.
Risk - Determining a fair pricing schedule and evaluation of pricing. If this is inadequate it might deter providers from delivering this service	Obtain, review and consider pricing schedules/mechanisms used by other local authorities.
Risk - Timely governance approvals	Timescales planned and built into the project plan.
Risk - Legal Department do not have capacity to provide legal advice on contractual documentation and procurement document set	Instruction of external solicitors.
Risk - Complex framework set up and re-opening requirements	Requires careful design of framework periods and reopening strategy. Ensuring suppliers are supported and well informed of the requirements.
Risk - Legal challenge	Transparent processes and documentation.
Opportunity - Increased service capacity	Building market capacity to respond to demand.
Opportunity – Increased standards	Updated terms and conditions. Enhanced contract management.

40. The Risks associated with the Passenger Transport Open Framework have been reviewed and are considered appropriate and proportionate to the nature of the procurement. These risks are being managed in accordance Herefordshire Council's risk management strategy. Ongoing

oversight will be maintained through established contract and performance management processes to ensure that any emerging risks are identified, escalated, and mitigated in a timely manner.

Consultees

41. Political Group Consultation 11 September 2026.

- Supportive of the requirement for an Open Framework as a compliant replacement for the current system, understanding that it will not create additional costs, and will provide mechanisms for managing supplier performance while maintaining flexibility within the passenger transport market.
- Members were advised that supplier support activities should be undertaken to help local operators navigate the new Open Framework process and maximise opportunities for participation.
- The council has a commitment to maximise the Social Value impact achieved from commissioning and procurement activities. Members asked how this would be delivered through the new open framework. The detailed approach to Social Value remains under consideration during the development of the open framework and further work is required to determine the most appropriate weighting, assessment methodology and delivery measures across the different framework lots and call-off mechanisms. This will include consideration of how Social Value will operate, whilst ensuring that the approach remains proportionate, transparent and auditable.

Appendices

Appendix 1 - Equality Impact Assessment for Passenger Transport Open Framework

Background papers

None identified

Glossary of terms, abbreviations and acronyms used in this report

SEND = Special Educational Needs and Disabilities

SMEs = Small and medium-sized enterprises