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By Email & Post

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Dear Mr Garner

Proposal for a Quality Contracts Scheme in Tyne and Wear

As you are aware, we are instructed by Go Ahead North East (GNE).

We write further to the consultation on the proposal for a Quality Contracts Scheme ("QCS") in respect of bus services in Tyne and Wear which commenced following the ITA's meeting on 26 July 2013. As you are aware, GNE is a statutory consultee under s.125 of the Transport Act 2000.

GNE is working hard to review and analyse the proposed QCS, but requires more time to submit its response. Accordingly, we are writing to request that the consultation period is extended.

As you will appreciate, the Department of Transport's statutory guidance on QCS prescribes that a period of informal discussions and consultation should precede the formal QCS consultation; the guidance envisages that local operators and other stakeholders are to be informed of proposals "*in some detail*" before the formal consultation begins. This has simply not happened in this case. There has been no period of informal consultation or discussion with consultees on the current proposals, and consultees were not made aware of these until the statutory consultation period commenced at the end of July. Mr Kevin Carr of GNE did request sight of the developing revised proposal during the course of several meetings with Nexus of the North East Bus Operators' Association between February and April 2013, but as you will recall, these requests were refused.

GNE appreciates that there was an informal consultation exercise in relation to different proposals a year ago. However, as the 2013 consultation document makes clear, the current proposal "*is a new QCS Proposal...Nexus decided not to proceed with its original proposal*". As such, last year's informal consultation cannot be thought to constitute the period of informal consultation anticipated by the statutory guidance. GNE is left needing to analyse and respond to a proposal that is entirely new within a period of time that is short given the proposed scheme's complexity.

The consultation documentation is substantial, and will require longer to digest and analyse than the current deadline anticipates. The proposal document alone is over 380 pages long and its 28 appendices contain substantial and complex statistical data which is integral to the proposal and, therefore, consultees' responses.

In addition, it was necessary for GNE and other operators to request further information underlying the proposal, and Nexus has also needed to make provision to rectify inaccuracies. Nexus has, therefore, continued to publish new and important information on its website since the consultation commenced. GNE welcomes this openness, but it does give rise to a need to review and assess additional material to understand the proposal properly.

For example, TAS' analysis of network costing, MVA's Quality Assurance Report, and CPT's guidance on soft measures have only been made available between mid and late August 2013. In addition, it did not prove possible for GNE to receive the working financial models which are fundamental underpinning to the proposal until 29 August 2013. As a consequence, GNE's analysis of the full data set which underpins the QCS proposal was only able to begin in earnest over one month after the formal consultation opened and is far from complete. The scope of the original material as well as the additional documentation and detailed statistical data has made it become unrealistic to expect consultees to be able to instruct relevant advisers and formulate an informed and meaningful response within the current timeframe.

By way of context, since the consultation was published, Nexus has requested information from consultees relating to the QCS (Application of TUPE) Regulations 2009. This adds a considerable additional layer of analysis and consideration to the exercise which has been undertaken by GNE. GNE also has a substantial business to run and have of course been continuing to develop proposals with NEBOA for a Voluntary Partnership Agreement.

As the DfT guidance recognises, the informal and statutory consultation processes are important because of the very substantial impacts which QCS may have on bus operators, their employees and passengers. The expertise of bus operators which can be brought to bear in response to the proposal is an important aspect and GNE needs longer to analyse the proposals to give a more fully informed response.

Accordingly, we ask on behalf of GNE that the consultation period is extended. It is difficult to assess accurately how much further time will be required as further information about the proposal is still be provided. However, GNE is likely to need at least four weeks' additional time to allow it to respond meaningfully.

Yours faithfully



Field Fisher Waterhouse LLP

cc: Nigel Featham, Arriva North East
Phil Medicott, Stagecoach