



# Transport Act 1985

## 1985 CHAPTER 67

### PART V

#### FINANCIAL PROVISIONS

##### *Expenditure on public passenger transport services*

#### **89 Obligation to invite tenders for subsidised services.**

- (1) Subject to sections 90 and 91 of this Act, an authority responsible for expenditure on public passenger transport services may not enter into an agreement providing for service subsidies under which a local service is to be provided except by accepting a tender invited in pursuance of this section.
- (2) Where any such authority propose to secure the provision of any local service by entering into any such agreement, the authority shall invite tenders for the provision of that service for such period and on such basis as may be specified in the invitation to tender.
- (3) An invitation to tender under this section may not include conditions with respect to the terms of employment of persons to be employed in providing any service to which the invitation to tender relates.
- (4) Subject to subsection (5) below, any such invitation—
  - (a) must be issued generally, in such manner as the authority issuing the invitation consider appropriate for bringing it to the attention of persons who may be interested; and
  - (b) must also be issued individually to all persons who have given to that authority a written notice indicating that they wish to receive invitations to tender for the provision of local services for that authority's area or (as the case may be) for the provision of such services of any description to which the invitation relates.

*Status: Point in time view as at 08/11/1995. This version of this provision has been superseded.*

*Changes to legislation: Transport Act 1985, Section 89 is up to date with all changes known to be in force on or before 06 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (5) Any such notice shall specify the address to which any such invitation is to be directed, and it shall be sufficient for the purposes of subsection (4)(b) above if the authority send the invitation to the person giving any such notice at the address so specified.
- (6) An authority issuing an invitation to tender under this section shall not accept any tender submitted by a person who is not the holder of either—
- (a) a PSV operator's licence, not being—
    - <sup>F1</sup>(i) . . . . .
    - (ii) a licence to which any condition is attached under section 26 of this Act prohibiting the holder from using vehicles under the licence to provide local services of all descriptions or (as the case may be) of any description to which the invitation relates; or
  - (b) a permit under section 22 of this Act.
- (7) The authority issuing any invitation to tender under this section shall determine—
- (a) whether to accept a tender submitted in response to the invitation; or
  - (b) which (if any) of several such tenders to accept;
- solely by reference to what in their view is the most effective and economic application of the funds at their disposal for the payment of service subsidies.
- (8) Subsection (7) above shall not be taken as requiring the authority to limit their consideration, in the case of any such invitation to tender, to the application of those funds for the purpose of securing the provision of the particular service to which that invitation to tender relates; and accordingly the authority may (in particular) take into account in making, in relation to any such invitation to tender, any determination to which that subsection applies—
- (a) costs and benefits in relation to any proposed expenditure by that or any other authority for the purpose of securing the provision of any other public passenger transport service;
  - (b) costs and benefits in relation to any proposed expenditure on transport for the purposes of or in connection with the exercise and performance by that or any other authority of any functions of a description mentioned in section 88(2)(b) of this Act; and
  - (c) any matter appearing to the authority to be relevant to determining whether the particular service to which that invitation to tender relates, and any other relevant service, would be effectively provided by any person who has submitted a tender in response to that invitation to tender.

For the purposes of paragraph (c) above, a service other than the particular service there mentioned is relevant if the authority propose to incur expenditure for the purpose of securing its provision and any tender or proposal for the provision of that service by any such person is also under consideration by the authority.

**Textual Amendments**

**F1** S. 89(6)(a)(i) repealed (8.11.1995) by 1995 c. 44, s. 1(1), **Sch. 1 Pt. V** Group 2

**Modifications etc. (not altering text)**

**C1** S. 89(1) excluded (28.7.1998) by 1998 c. iii, s. 1, **Sch. s. 51(2)** of Order

**Status:**

Point in time view as at 08/11/1995. This version of this provision has been superseded.

**Changes to legislation:**

Transport Act 1985, Section 89 is up to date with all changes known to be in force on or before 06 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.