

Annex A – Analysis of Options

Option	1	2	3
Summary	Renegotiate service level agreement	Complete external tendering	Bring the service wholly in-house

Financial (to the Council)	Positive	Cost is known and likely to remain stable.	Cost is more certain during the period of the contract.	
	Negative	<p>There is no market testing to ensure that the Council receives value for money.</p> <p>At present, inflationary uplift is agreed on an annual basis and is not directly linked to any price index.</p>	Cost is uncertain and could vary at each re-tender. Staff costs represent approximately 55% of total service costs.	<p>Staff costs are likely to be higher than at present and the Council would have to provide cover for periods of planned and unplanned staff leave.</p> <p>Staff costs would be brought into line with Council pay structures but this may not represent the best value for money. There would be less scope for efficiencies than there might be with a commercial transport provider.</p>
Reputation	Positive	This option offers support to the voluntary sector provider whilst giving the service flexibility to develop to meet changing needs.		

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	Negative	This option may be perceived as giving an unfair advantage to the voluntary sector over private sector operators.	Depending on the outcome of the tendering exercise, a transfer of operation to a private sector provider could cause concern to service users.	
Support for the voluntary sector	Positive	This option provides guaranteed support to the voluntary sector and the flexibility for it to adapt services to best serve the local communities.	This option could act as a catalyst to increased financial sustainability for the voluntary sector, increasing its ability and success at securing contract income to support its core services.	
	Negative		York Wheels would lose a significant amount of its annual income if it is unsuccessful or decides not to bid.	This option provides no benefit for York Wheels or the voluntary sector as a whole.
Passenger service	Positive	Passengers would continue to benefit from the high level of service they receive from York Wheels' staff.		This option continues the high level of service.

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	Negative		This option could result in a poorer quality service, which could in turn lead to a loss of confidence for some passengers in making bookings and travelling.	
Ease of operation	Positive	There would be no disruption to the Dial & Ride service.	This option offers the easiest operation, with one provider responsible for all aspects of the operation, with Council involvement reduced to service planning and contract management.	This option offers the easiest operation of the Dial & Ride service on its own.
	Negative	With the introduction of the peak rural bus service, York Wheels is unlikely to take on the delivery of this service, which will mean an additional external provider will need to be involved. This will add complexity to overnight vehicle parking and handover arrangements between the two sets of drivers.		With the introduction of the peak rural bus service, the Council is unlikely to be able to take on the delivery of this service, which will mean an external provider will need to be involved. This will add complexity to overnight vehicle parking and handover arrangements between the two sets of drivers.

