

**Transport Act 2000, section 124****Quality contracts schemes**

- (1) A local transport authority, or two or more such authorities acting jointly, may make a quality contracts scheme covering the whole or any part of their area, or combined area, if they are satisfied that—
- (a) making a quality contracts scheme is the only practicable way of implementing the policies set out in their bus strategy or strategies in the area to which the proposed scheme relates, and
  - (b) the proposed scheme will implement those policies in a way which is economic, efficient and effective.
- (2) A quality contracts scheme may not be made unless the authority or authorities—
- (a) have complied with the notice and consultation requirements imposed by section 125, and
  - (b) have obtained the approval of the appropriate national authority in accordance with section 126.
- (3) A quality contracts scheme is a scheme under which—
- (a) the authority or authorities determine what local services should be provided in the area to which the scheme relates and any additional facilities or services which should be provided in that area, and
  - (b) local services may only be provided in that area in accordance with quality contracts (subject to section 127(4)).
- (4) In this Part “quality contract”, in relation to a quality contracts scheme, means an agreement entered into under section 130 or 131 under which—
- (a) the authority or authorities grant to another person the exclusive right to operate the local services to which the contract relates, and
  - (b) that person undertakes to provide the services on such terms (including in particular as to frequency, fares and standard of service) as may be specified in the agreement.
- (5) A quality contract may be made on terms—
- (a) which include provision for the making of payments by the authority or authorities to the person undertaking to provide the local service, and
  - (b) requiring one or more of the parties to provide additional facilities or services.
- (6) Section 88(1) of the [1985 c. 67.] Transport Act 1985 (application to subsidy agreements of sections 89 to 92 of that Act) does not apply in relation to quality contracts.
- (7) The authority or authorities must keep under review the extent to which quality contracts entered into by them are complied with.
- (8) In carrying out their functions under this Part in relation to quality contracts schemes, local transport authorities must co-operate with one another.
- (9) In considering whether to make a quality contracts scheme, a local transport authority must have regard to the desirability, in appropriate cases, of making a scheme jointly with another authority.