

## PLYMOUTH CITY COUNCIL

**Subject:** Delegated Authority to Award Education and Children's Social Care  
Transport Contracts

**Committee:** Cabinet

**Date:** 7 July 2015

**Cabinet Member:** Councillor McDonald

**CMT Member:** Carole Burgoyne (Strategic Director for People)

**Author:** Jayne Gorton (Head of Access and Planning)

**Contact details:** Tel: 01752 307472  
Email: [jayne.gorton@plymouth.gov.uk](mailto:jayne.gorton@plymouth.gov.uk)

**Ref:** JH.JEG (CAB) 08 (27/5/15)

**Key Decision:** No

**Part:** One

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### **Purpose of the report:**

In October 2014 an independent external review of passenger transport provision for Education and Social Care was completed that identified savings in the order of £350K per annum could be achieved by the re-tendering of contracted transport arrangements for Special Educational Needs (SEN) children and Looked After Children (LAC).

A programme of work to deliver the above savings commenced in January 2015, with new contracted transport arrangements due to be in place from the beginning of the new school term in January 2016.

In order to achieve the above implementation date, a complex procurement exercise is underway to comply with EU legislation and the program requires the award of new contracts for the supply of transport to be awarded in November 2015.

This report requests the approval of Delegated Authority for the Cabinet Member for Children, Young People and Public Health to approve the award of these contracts without the requirement to seek further formal Cabinet approval. This will streamline overall timescales and support the achievement of the January 2016 implementation target.

If the target date of January 2016 is not achieved, savings will be delayed by four months, as the next possible implementation date will be late April 2016, after the Easter holidays. The financial implications of such a delay amount to approximately £111K in lost savings.

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## **The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:**

The proposal helps to meet the City Vision, co-operative values, co-operative objectives, and co-operative outcomes in the following ways:

**City Vision – Britain’s Ocean City** – improves the education opportunities of children with SEN which will improve their quality of life.

**Co-operative Value – We are democratic** – provide parents, staff and governors at the school, local residents and other stakeholders with the opportunity to participate in the provision for their children.

**Objective – Pioneering Plymouth** – provides improved service for children with SEN and their families making effective use of resources available.

**Objective – Caring Plymouth** – provides children with SEN with specialist facilities that will promote independence and reduce social inequality.

**Objective – Growing Plymouth** – provides additional specialist provision for the growing number of children with SEN within a mainstream and special school environment.

**Outcome – Growing Plymouth** – providing sufficient specialist facilities for children with SEN to attend and enjoy school would be an integral part of the city’s top performing education system and ensure that they achieve better qualifications and find high quality jobs,

**Outcome – Caring Plymouth** – providing specialist facilities SEN children in both mainstream and special schools to provide them with inclusive educational opportunities and narrow the gap in equality of access to support, helping them take control of their lives.

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### **Implications for Medium Term Financial Plan and Resource Implications:**

#### **Including finance, human, IT and land:**

The annual costs of Home to School transport for qualifying SEN and LAC learners is approximately £3.5M per annum. Annual revenue savings of c. £350K per annum (c. 10%) against these costs can be achieved via the re-tender of contracted transport arrangements.

The current program to re-tender the provision of contracted transport is targeted with delivering these savings from January 2016, which will reduce revenue costs in the 2015/16 financial year by approximately £95K and will reduce revenue costs in subsequent financial years by the full £350K.

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#### **Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

All children who meet the criteria and are in need of transport to access education will be provided with home to school transport and the necessary Passenger Assistant support.

In order to ensure the Health and Safety of all:

All children are assessed and issued with the relevant child car seat to ensure children travel safely.

All wheelchair users have their wheelchairs assessed and passported and specialist restraints supplied.

All drivers undertaking wheelchair contracts are trained in the correct procedures for securing wheelchairs.

Passenger Assistants are all trained and receive additional training for very complex medical cases to ensure the needs of the children are met.



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**Sign off:**

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Originating SMT Member Judith Harwood													
Has the Cabinet Member(s) agreed the content of the report? Yes													

## **1.0 Introduction & Background**

- 1.1 Plymouth City Council (PCC) currently incurs annual costs of approximately £3.5M of in respect of providing Home to School transport for qualifying SEN and LAC learners. The service is operated at the statutory minimum in that it transports only those learners that the Council is obliged by current legislation to transport; no discretionary or faith school travel is provided.
- 1.2 Transport is provided using a small number of internal vehicles, but predominantly by contracted vehicles procured via the local Hackney, Private Hire and Minibus marketplace in Plymouth. There are currently 188 taxi routes and 46 minibus routes.
- 1.3 Where individual circumstances require it, a passenger assistant (PA) accompanies the learner to provide support and control during the journey. Passenger assistants are all directly employed by PCC and no changes to the provision of PA's are planned.
- 1.4 Procurement of taxi and minibus contractors is via a Transport Framework that was put in place approximately four years ago. Competition on the framework, which would naturally expire in September 2016, is limited, with only two taxi operators and two minibus operators on the framework at present. There is no option to add new contractors to the framework until its expiry or early termination. This currently restricts effective competition and potentially pushes up prices for home to school transport.
- 1.5 In October 2014 an independent external review of passenger transport provision for Education and Children's Social Care was completed that identified substantial savings could be achieved by the re-tendering of contracted transport arrangements for Special Educational Needs (SEN) children and Looked After Children (LAC), principally incorporating the following initiatives:
- I. Early termination of the current framework to allow the quickest possible access to savings (early termination is clearly provided for in the framework agreements / contract documentation).
  - II. Re-tendering the provision of contracted transport using electronic tendering (using the current PCC e-tender system, Pro Contract) along with the use of 'reverse auctions'.
  - III. Creation of a new Dynamic Purchasing System (DPS); in effect a new, more flexible framework for contracted transport that provides for additional contractors to be added during the term of the framework.
  - IV. Improved marketing of the tender opportunity, supported by more pro-active engagement with the taxi and minibus communities in the city, to generate greater interest in and more competition on the new framework. Smaller contractors would also be encouraged to tender and provided with support through the tender process.
- 1.6 It is important to note that the above proposals do not change the nature of the service to be provided in any way; all learners currently provided with transport will be provided with the same service after January 2016. Further, an improved pool of contractors will support flexibility and responsiveness of service delivery and improvements in service quality over time.
- 1.7 In February 2015 the Cabinet approved to commencement of a project to re-tender contracted transport as described above, with a view to implementing new home to school transport provision in January 2016, the earliest viable date, to maximise the cost reduction potential. The project is now underway and on-track to deliver in January 2016 (see section 3.0 below).

## **2.0 Savings Potential**

- 2.1 The external review completed in October 2014 indicated that annual revenue savings of c. £350K per annum (c. 10% of the £3.5M annual costs) could be achieved via the re-tender of contracted transport arrangements as described in Section 2.0 above.
- 2.2 Changes to education transport arrangements are only practical at certain points in the school year; at the start of the new terms in September, January and after the Easter break. In order to maximise savings for the 2015/16 financial year therefore, it is proposed that the new transport contracts are introduced in January 2016.
- 2.3 If new contracts are successfully introduced in January 2016, a revenue cost reduction of approximately £95K will be achieved in the 2015/16 financial year, with the full £350K per annum benefit achieved in subsequent financial years.
- 2.4 It must be appreciated that the above figures are estimated at the present time and cannot be finalised until the tender process is completed and new routes are allocated and operating effectively in the early part of 2016. Experience of similar cost savings initiatives with other UK councils however indicates that the estimated savings levels can be relied upon and may be exceeded.
- 2.5 The cost impact of not achieving the current January 2016 implementation date is that the savings available for the 2015/16 financial year (£95K) will not be achieved, as implementation would have to be delayed until after the Easter 2016 school holidays.

## **3.0 Passenger Transport Change Project**

- 3.1 A project to deliver the above savings commenced in January 2015, and is on track to deliver new transport arrangements as scheduled from the beginning of the new school term in January 2016. The project forms one strand of the GAME change program and falls under the wider governance process in place for the GAME program.
- 3.2 In order to achieve the above implementation date, a complex procurement exercise is underway to comply with EU legislation, comprising the following high level milestones:
  - I. Formal tender notices to be published: mid-June
  - II. Marketing of tender opportunity and engagement with transport market; from early June
  - III. Pre-Qualification Questionnaire (PQQ) for taxi and minibus tenderers: June / July
  - IV. PQQ review and formulation of new DPS Framework; July
  - V. Tender Process on a route by route basis, along with reverse auction process; August / September / October
  - VI. Provisional tender allocation / standstill / call in; October / November
  - VII. Formal contract award: November
  - VIII. Planning and route implementation, document and vehicle checking, training; November / December
  - IX. Implementation; January
- 3.3 A comprehensive communication plan is in place and co-ordinated communication will be undertaken to all stakeholder groups (including parents & carers, special school head-teachers, licensed taxi drivers and operators, minibus operators, Social Care teams, passenger assistants etc.) throughout the change process.

- 3.4 As indicated above, the program requires the award of new contracts for the supply of transport to be awarded in November 2015. To support this timescale, and hence implementation in January 2016, the formal contract award process must be streamlined as much as possible. It is therefore proposed that Delegated Authority is provided by Cabinet to the Cabinet Member for Children, Young People and Public Health to approve the award of new contracts in November 2015.