

Ambitious Scrutiny Panel

7th March 2016 Home to School Transport Service



Background

Ambitious Scrutiny have requested that the Home to School Transport service be examined in respect of a recent re-tendering exercise which formed part of the Transformation Programme.

The Transformation portfolio formed is wide-ranging, encompassing programmes for Integrated Health & Well-being, Customer Services Transformation, People and Organisational Development, Corporate Centre of Operations and Growth, Assets and Municipal Enterprise.

The Transformation programmes seek to fundamentally change the way that the Council goes about its business by improving efficiency and thus reducing costs whilst still delivering benefits for the citizens of Plymouth.

Areas of focus were set out within each programme where expected benefits were targeted. Following a previous regime of general cost savings across the Council, the Corporate Management Team led a real desire to seek out new opportunities for improvement and saving whilst encouraging officers to be innovative in their approach.

Last year, the GAME Transformation programme delivered a net benefit of £4.35m for PCC and is forecasting to achieve an additional net benefit of £3.9m this year. The GAME programme is made up of several elements, including Integrated Transport Services, the plan for Growth of new homes in the city and Commercialisation opportunities. The Transport project is council wide to include Passenger Transport, Staff Travel and Fleet Management and has benefits to be realised in excess of £1.5m over a three year period.

Why did we take the action we took

In September 2014, Integrated Transport Services Project Board discussed the extension of the project scope to include Passenger Transport at the request of the Director of People. A project around category management Fleet was already underway, capturing savings and efficiencies from reducing vehicles, plant and machinery across the Council, introducing technology and generating income within the workshop. EDGE conducted an analysis of the Home to School Transport service and reported that the service was well run with route optimisation and management of volatile budgets managed well. They recommended that improvements in procurement could be achieved. They noted that the service had achieved continuous savings since 2011.

In January 2015, a final version of the EDGE report that included a “financial opportunity plan” was published as well as a report on the resource proposal for the delivery of Fleet, Staff Travel & Passenger Transport transformation.

The report highlighted potential financial savings of £175K in 15/16 and a further £175K in 16/17 through the re-tendering of home to school taxi and minibus services, recommending:

- 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).

- Re-tendering the provision of contracted transport using electronic tendering (using the current Council e-tender system, Pro Contract) along with the use of 'reverse auctions'.
- 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.
- 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.
- It should be noted that the full contract was a 5 year fixed mileage rate contract with an expiry date of July 2016. The main taxi contract holder was Taxifirst.

EDGE Public Solutions made their recommendation and these were accepted by the Council. Based on their track record of success in other Local Authorities, Edge were initially taken on by the Council to enable savings through fleet rationalisation and commercialisation, which they have successfully achieved.

Benefits and Impacts.

The re-tendering has had a number of benefits;

1. It has increased the number of service providers. Prior to re-tendering there were 2 taxi companies and 2 minibus companies engaged; there are now 12 taxi companies and 7 minibus companies involved in home to school transport. However the overall available capacity has decreased due to Taxifirst, who had the greatest capacity, not bidding for the available work.
2. The exercise has raised awareness of home to school transport demands. It also highlighted potential opportunities for further rationalisation of routes and options around the use of vehicles.
3. It has resulted in fewer routes overall being required. The number of taxi routes required has decreased from 170 to 124, however, the number of minibuses required has increased from 55 to 63 and the number of petrol allowances has increased from 17 to 28. There are still 30 routes which ideally need to be covered by taxis as and when capacity increases.
4. All children continue to have been safeguarded in the journeys to and from school.
5. New forms of tendering have been introduced in the form of E-auctioning
6. A Dynamic Purchasing System has been introduced meaning providers can bid to provide services as routes become available instead of waiting until the end of a contract

Savings

Unfortunately, the savings target for the new tender of £350k over two years has not been realised although there have been savings of approximately £43,500 per year

achieved on renegotiating the prices of student concessionary passes. Other considerations are being considered. For example, further reductions in the Council's own fleet requirement, although this will not have a direct impact immediately.

Officers continue to explore alternative savings. The service is managed very professionally and is pro-active on finding solutions to school travel on a daily basis. The new dynamic purchasing system allows for constant market engagement and this will continue over the

medium term. Longer term, it is fair to say there will continue to be demand and the council will need to continue to operate a robust approach to school transport requests.

Impact of the re-tender

Currently there are 11 parents who are receiving a petrol allowance on a short term basis. These arrangements are short term as the parents have other children to take to different schools and in some instances this means that children are arriving late, or being collected early to one or other of the schools.

Due to amalgamating some taxi routes onto minibuses a number of children are having very early collections from home and journeys of up to 1 hour 30 minutes which is over the recommended guidance of 45 minutes for primary aged children and 1 hr 15 mins for secondary aged children.

The procurement exercise has affected staff within the School Transport Team and the Procurement Unit. Managing the current day to day transport requirements with reduced capacity in drivers and vehicles is challenging. Parents have generally responded well and have been supportive of the situation.

Criteria for qualification for free transport

The Council have a statutory duty to provide travel arrangements to eligible children under the Education Act 1996, and also in accordance with DfE Statutory guidance Home to School travel and transport guidance 2014. PCC provides the statutory minimum required by law and therefore there is no scope to make further savings by changes to qualification criteria. Reviews of existing users and their needs will continue as occasionally circumstances change that mean transport is no longer required. Free transport is provided where a pupil meets the following criteria:

- A pupil is attending the nearest available school to their home where this is more than 2 miles for a child aged under 8, and more than 3 miles for a child aged 8 and over. This is regardless of parent's income.
- A pupil aged 8 or over is attending the nearest available Primary School and the distance is more than 2 miles and the child is eligible for free school meals or the family are in receipt of the maximum award of working tax credit.
- A pupil is attending one of the three nearest secondary schools and the distance from the school attended is more than 2 miles and the child is eligible for free school meals or the family are in receipt of the maximum award of working tax credit.
- The authority must make transport arrangements for all children who cannot reasonably be expected to walk to school because of their mobility problems or because of associated health and safety issues related to their special education needs (SEN) or disability. Eligibility, for such children are assessed on an individual basis to identify their particular transport requirements.

The transport is provided in a range of different ways :

- A free bus pass for pupils able to travel on public transport unaccompanied
- Free bus passes for a pupil and an adult to accompany them on public transport
- Petrol Allowance

- Minibus or taxi transport for pupils unable to travel on public transport or requiring wheelchair accessible vehicles

Since the retendering exercise, due to reduced taxi capacity, the authority has had to put in place other provision for example:

- Using PCC lease cars and Pertemps Agency drivers, however, this option is currently more costly than using taxis.
- Parents paying for taxis (with companies not under contract to PCC) and PCC reimbursing the cost to the parent
- Paying the cost of breakfast club for a primary school pupil to enable the parent to take their SEN child to a different school.
- Four routes have been covered by Social workers booking taxis direct with Taxifirst under the corporate contract. These are routes which do not need passenger assistants. However this arrangement means that the routes are not being managed or monitored by the School Transport Team and effectively increases the workload for Social Workers.

What is being done to cover routes in the long term:

- Continuous procurement exercise: Since the contract commenced on 04th January we have delivered 4 training sessions to the market on the 01/02/16 & 05/02/16 and 8 delegates attended. We now have 26 suppliers on our Dynamic Purchasing System (DPS) and a tender was issued on 23rd February in order to cover routes that are currently covered through temporary means. The Strategic Procurement Unit and Passenger Transport Team have been working very closely to engage the market and promote the DPS. Ongoing investment of officer time from the PT team will be necessary to ensure market engagement and positive promotion of the DPS does not lapse. There are concerns about the capacity of the DPS and the registered suppliers' ability to meet the service demand in the short term.
- Investigating social enterprise route to fill gap which market cannot provide.

Simon Dale

Interim Assistant Director, Street Services

Jayne Gorton

Head of Access and Planning, Learning & Communities

25th February 2016