

CABINET

12 March 2024

HOME TO SCHOOL TRANSPORT CONTRACT AWARD

Report of the Portfolio Holder for Transport, Environment and Communities

Strategic Aim	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr C Wise, Portfolio Holder for Transport, Environment and Communities	
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Ward Councillors	All	

1 SUMMARY AND RECOMMENDATIONS

1.1 Summary

- 1.1.1 This report sets out the process and proposed award criteria for the procurement of home to school transport contracts, along with recommendations for approval and delegation of final award.

1.2 Recommendations

1. That Cabinet approves the procurement model (section 2.5) and criteria for the award of home to school transport (appendix A) contracts for academic year 24/25.
2. Authorises the Strategic Director for Places in consultation with the Portfolio Holder for Planning, Highways & Transport to award the contracts resulting from this procurement.

1.3 Reasons for Recommendations

- 1.3.1 Statutory services must be in place to meet our statutory obligations for home to school transport
- 1.3.2 A procurement exercise will identify the best value bidders who are able to deliver

the service for the Lots.

2 REPORT

2.1 Introductory Paragraph

- 2.1.1 Rutland County Council provides a range of transport services including: home to school transport; transport for children with special educational needs; transport for children looked after; post-16 education transport; and public transport services in line with statute and Council policy.
- 2.1.2 Alongside provision through the Council's in-house commissioned transport fleet, this transport is also provided by a number of external organisations (bus, minibus and taxi) via a range of long term, short term and emergency contracts

2.2 Options Considered

- 2.2.1 To not go out to procurement and to provide the transport in-house. This option was rejected as there is not sufficient capacity to do so; instead a combination of in-house transport and external contracts will be used to ensure that the Council's duty is met.
- 2.2.2 The contract award could be brought back to Cabinet for approval rather than delegated to the Portfolio Holder and Strategic Director for Places. However, this approach would delay the award and may impact the Council's ability to deliver its statutory obligations.

2.3 Background

- 2.3.1 Service requirements are reviewed each year alongside contract expiry dates. This takes place each year because contract requirements change on an annual basis. Some contracts (particularly those for SEND transport and children looked after where needs can change very regularly) are only awarded for 1 year, whilst others are awarded for up to 5 years. The contract review takes into account any changes to student distribution, school location, start or finish times, and school holidays.
- 2.3.2 The Transport Team use admissions data to ascertain which students will be likely to require transport for the next academic year, and their destination. This data is used to decide whether existing routes are appropriate, or whether efficiencies can be realised via route changes and alterations to vehicles. Furthermore, the need for lone transport and passenger assistants on SEND routes is also reviewed to ensure the services specified are what is actually required. This helps to reduce legacy arrangements when service user needs have changed over time and transport can now be delivered in a more economically advantageous way whilst still meeting the needs of service users.
- 2.3.3 All potential contracts are sent out to tender, including those that will probably be operated by the Council's in house-fleet. This enables the Transport Team to compare costs of providing the services in-house versus outsourcing and ensures the in-house fleet continues to offer good value for money.
- 2.3.4 Although transport contracts are subject to continual review throughout the year to ensure best use of resources, the main review of requirements for the next academic year takes place between February and June. Additions and amendments

to existing transport contracts are usually lower in cost than introducing a new contract/route so this is considered first for new applicants. For students with SEND and enhanced needs, cases are dealt with on a case by case basis. Further work is also underway to review all contracts for the future in light of the Council's financial position and the requirement to make efficiencies for future sustainability.

2.4 Contract Requirements

2.4.1 What is being procured?

2.4.2 Three types of service are being procured; broken down into procurement lots, as follows:

- Lot 1 (school bus contracts)
- Lot 2 (specialist transport taxis/minibuses)
- Lot 3 (pence per mile taxis & buses)

2.4.3 Contract Length

2.4.4 Each individual route has its own contract length based on the requirements of the students, but it should be noted that contracts are being put out for the maximum possible requirement in 2024 to encourage transport providers to submit competitive bids.

2.4.5 Mainstream school bus contracts tend to be offered for a period of 5 years wherever possible as this attracts more interest from operators, but routes with fewer students can be offered anywhere between 1 year up to 5 years dependant on the future transport needs of the students concerned.

2.4.6 Notice to terminate by both parties is 1 calendar month for all home to school transport contracts. Those bus services which are registered for use by the public will operate under the contractual notice for public bus contracts which is 3 months.

2.4.7 Package bids will be requested as part of the procurement. For example, one supplier will be simpler to contract manage and should result in a more competitive pricing structure. Option 1 – Bid for ALL network of home to school transport bus contract (can sub-contract) Option 2 – Bid for primary school buses only or secondary & post-16 registered public buses only. The vehicle size will be specified with enough capacity for additional usage above known scholar numbers as the services will be open to the public.

2.4.8 A review of Transport Policy is planned in 2024 in order to inform practice to ensure cost effective transport is commissioned.

2.4.9 Contract value

2.4.10 The estimated contract value (over the lifetime of all contracts, to a maximum of 5 years, included in the 3 lots) is £7,592,724. Detailed contracts for tender cannot be identified until the school admission data is available in April and May although it is estimated that 5 mainstream school bus routes, 49 taxi routes and 9 minibus routes will be included in the lots for tender.

2.4.11 Previous years advertised costs were:

- 2020/21 - £1,258,461
- 2021/22 - £1,829,023
- 2022/23 - £2,578,754
- 2023/24 - £7,592,723

2.4.12 The increased estimated costs for 2023/24 is due to all closed bus contracts being put out to tender at the same time, inviting package bids to achieve best value and to enable a smooth implementation of the outcomes of the wider bus network review.

2.4.13 There is a year-on-year increase in SEND students requiring transport, which in turn increases the overall estimated contract value. This value is estimated because the contracts tendered may change during the review process, and prices are based on previous tender prices and as such are subject to change during the tender process. The Rutland Council in-house routes are sent out to tender to obtain comparison pricing and not all tendered routes will be awarded.

2.5 Procurement Model

2.5.1 Following the annual review of transport requirements an invitation to tender is issued with support from the Welland Procurement Unit. The procurement process will follow the appropriate process in line with the Council's Contract Procedure Rules. The value of the contracts combined is above the EU threshold.

2.5.2 Services usually operated by the Council's in-house fleet are also advertised to provide assurance that in-house operation of those services demonstrates best value for money.

2.5.3 The tender process also collects "pence per mile" quotes from operators in order that requests for quotations can be sent out to the bidders that are likely to provide the service at the lowest price for new or revised service requirements that occur during the course of the academic year. This allows us to opt for best value at all times and reduce any risk of higher cost short notice emergency contracts.

2.5.4 The timetable for the process for the academic year 2024/2025 is set out in Appendix A.

1.a.1 New procurement regulations under The Procurement Act 2023 are due to be introduced in October this year, and the intention is to review tendering options under these regulations to streamline the procurement of home to school transport in future years from the 2025/26 academic year.

2.6 Award Criteria

2.6.1 *Initial screening/ quality criteria*

2.6.2 Companies must meet quality criteria (initial screening) in order to be eligible to tender. These have been developed with support from the Welland Procurement Unit. In addition, service specific criteria are used. Examples of this might include:

being able to meet necessary specific insurance levels; being able to demonstrate vehicles are adequately maintained; and /or having passenger assistants with an appropriate level of training. To obtain and retain a PSV operator's license (O License) involves meeting criteria relating to operator financial standing, good repute and strict operational standards. Compliance checks are carried out by both the DVSA and the relevant Traffic Commission in the form of initial screening and on-going checks and therefore quality standard checks to hold an O licence are in place externally. This removes the requirement for RCC to further stipulate localised quality standards for tendering other than the pass/fail criteria of holding the correct license/s. Further information on the criteria for obtaining transport licensing is available online: <https://www.gov.uk/government/publications/psv-operatorlicensing-a-guide-for-operators-psv437>

2.6.3 *Basis of award*

2.6.4 Contracts will be awarded on the basis of cost to a bidder who meets the quality criteria. Contract specifications will therefore state that contracts will be awarded to the lowest priced bidder that is able to deliver the contract.

2.6.5 *Power to award contracts*

2.6.6 Cabinet approval is sought to delegate authority to the Strategic Director for Places in consultation with the Portfolio Holder for Planning, Highways & Transport to award the contracts resulting from this procurement.

2.7 **Consultation**

2.7.1 The procurement process has closely followed that of previous years and the Portfolio Holder has been consulted.

3 **IMPLICATIONS OF THE RECOMMENDATION**

3.1 **FINANCIAL IMPLICATIONS**

This section has been approved by Kirsty Nutton, Strategic Director for Resources

3.1.1 The main financial implications for transport contracts are not necessarily from the retendering of the contract but the underlying pressures this budget is facing. This is due to increasing demand and/or complexity of cases year on year in a demand led statutory service area. Table 1 below shows the budget and forecast for 2023/24 as well as budgets included in the Medium-Term Financial Plan.

3.1.2 Table 1: Budget and 2023/24 forecast

Area	2023/24 Budget	2023/24 Forecast	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget
Children Looked After Transport	81,600	120,300	83,700	83,700	83,700	83,700
Home to School Transport	789,300	953,200	956,400	956,400	956,400	956,400

Post 16 Transport	113,800	151,100	116,800	116,800	116,800	116,800
Adult Social Services Transport	50,000	57,600	54,300	54,300	54,300	54,300
Transport Fleet	471,200	480,300	456,700	456,700	456,700	456,700
SEN Transport	1,117,000	1,484,700	1,419,600	1,458,600	1,469,100	1,319,400
Inclusion Transport	60,000	60,000	60,000	60,000	60,000	60,000
Total	2,682,900	3,307,200	3,147,500	3,186,500	3,197,000	3,047,300

3.1.3 As Table 1 shows the current pressures in this budget (if demand and costs come in as the 23/24 forecast) show that there is £160k funding gap that will have to met within the cash limit for the service. This position has been discussed by the Corporate Leadership Team and alongside the robust procurement set out in this report, the following actions will be undertaken.

- Analysis of transport spend.
- Review policy to inform practice to ensure cost effective transport is commissioned.

3.1.4 Implementation of changes to Transport Policy may impact the commissioning of some home to school transport.

3.1.5 Notice to terminate contracts is 1 calendar month for all home to school transport contracts and 3 months for those bus services which are registered for use by the public, as set out in section 2.4.6. Therefore, if changes to home to school transport are required following the policy review, these can still be implemented with the appropriate contractual notice.

3.1.6 It is therefore not necessary to delay the procurement of home to school transport until completion of the policy review, ensuring that appropriate services are in place for the new academic year.

3.2 LEGAL IMPLICATIONS

Sarah Khawaja, Head of Legal & Democratic Services

3.2.1 There are no legal implications as the Home to School Transport procurement process has been drawn up with the Welland Procurement Unit, in line with the requirements of the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.

3.2.2 Contained within the award process are 62 separate contracts and although none exceed the current threshold individually and would ordinarily fall within the delegated powers to award, officers, in consultation with the Portfolio Holder, have chosen not to exercise those powers in this case to ensure that Cabinet is able to fully consider matters and have a full picture when considering whether to authorise

delegation of award or not.

3.3 Risk Management Implications

3.4 The main risks to this Report and the Council achieving its objectives are as follows:

3.4.1 Risk/s: Late award of contract due to delay in process or not awarding contracts will mean that the Council cannot deliver on its statutory transport obligations

3.4.2 Assessment of Risk: High

3.4.3 Mitigation: Early approval of the procurement in line with previous years and procurement plans being followed with support from Welland. Bringing services in house is not possible, as staff resources and vehicles are not available to deliver these services.

3.4.4 Residual Risk: Low

3.4.5 Record of Risk (Project Risk Register to be developed):

3.5 DATA PROTECTION IMPLICATIONS

3.5.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no identified risks or issues to the rights and freedoms of individuals.

3.6 EQUALITY IMPLICATIONS

3.6.1 An Equality Impact Assessment (EqIA) screening form has been completed and a full assessment is not required as the procurement has followed an approved process and has no impact on equality and diversity.

3.7 COMMUNITY SAFETY IMPLICATIONS

3.7.1 The Council has a duty in accordance with S17 Crime and Disorder Act 1988, when exercising its functions, to have due regard to the likely effect of that exercise of those functions on and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social behaviour).

3.7.2 This duty has been considered and there are no community safety implications relating to the recommendations.

3.8 HEALTH AND WELLBEING IMPLICATIONS

3.8.1 None

3.9 ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS

3.9.1 On 11 January 2021 Rutland County Council acknowledged that it was in a climate emergency. The Council understands that it needs to take urgent action to address it.

3.9.2 There are no environmental and climate change implications of the Recommendations.

3.9.3 Children travelling on school buses are likely to have less of an environmental

impact than those being driven to school. Where possible, children are placed on public service vehicles hence their transport does not increase emissions because the vehicle is already traveling. As such school bus provision is likely to have a positive impact on climate change.

3.10 PROCUREMENT IMPLICATIONS

3.10.1 The procurement model is set out in the main body of the report.

3.10.2 The procurement process proposed is in line with the Public Contract Regulations 2015 and the Council's Contract Procedure Rules.

3.11 HR IMPLICATIONS

3.12 TUPE Regulations (the Collective Redundancies and Transfer of Undertakings (Protection of Employment)) 2014 and subsequent amendments will not apply to the Home to School Transport procurement. In-house routes tend to be less attractive to the market (more challenging behaviours and wheel-chair access) so will be unlikely to be delivered by private contractors at a competitive price.

4 BACKGROUND PAPERS

4.1 None

5 APPENDICES

5.1 Appendix A – Award Criteria

An Accessible Version of this Report is available upon request – Contact 01572 722577.