

Executive

17 March 2022

Report of the Director of Prevention and Commissioning and Education

**Request to Extend Home to School Transport Contracts –
York Pullman Bus Co Ltd**

Summary

1. This report seeks agreement to the extension of home to school coach contracts with York Pullman Bus Company to 31 July 2024. The current contracts deliver the statutory elements of home to school transport, they are cost effective and are not part of the transport savings plan. The extension will allow continuity of a statutory service at a time when the coach industry is still recovering from the impact of the COVID-19 pandemic and ensures continuity in delivery of a statutory service whilst elements of current delivery are reviewed.

Recommendations

1. Executive are asked to consider:

Option 2 - Extending the existing home to school transport contracts for York Pullman Bus Co Ltd for the period of 2 years, from 1 August 2022 – 31 July 2024 and for it to be delegated to the Director of Prevention and Commissioning and Education in consultation with the Director of Governance and the Chief Finance Officer.

Reason: To ensure that there is provision in place to meet the Local Authority's statutory duties in relation to home to school transport until a review of the Tadcaster bus contracts has taken place. This will require member consideration and a public consultation if it is proposed that the Tadcaster Bus contract is ended.

Background

2. The contracts for Home to School dedicated bus services (current value approximately £997,000 per year) serve Fulford, Huntington and Tadcaster Grammar, and 4 x primary schools - Poppleton Ousebank, St Mary's CE, Bishopthorpe Infants and Archbishop of York CE Juniors. This provision enables the Local Authority to meet its statutory duty to provide transport for pupils living more than 2 miles (primary) and 3 miles (secondary) from their catchment school, or where there is an unsafe walking route. These contracts are currently held by York Pullman and expire on 31st July 2022. The contracts currently require all vehicles to be fitted with seatbelts and there are clear targets to be met around reducing vehicle emissions.
3. At their meeting in 11th February 2021, the Executive agreed to extend all home to school transport contacts for a further year until 31st July 2022. This was to allow for the existing contracts to be delivered whilst a full consultation for re-procuring the service has taken place to inform a review of home to school transport policy.
4. Other transport services such as those currently being supplied by Streamline Taxis are part of the transport savings plan and these are now subject to a procurement process being led by the Education Support Service. The procurement of other transport services is a high priority to achieve a more cost effective arrangement and to ensure that the necessary savings are made.

Consultation

5. The Council's Finance and Legal teams have been consulted. Comments are included in the Implications section of this report.

Options

6. **Option 1** To procure new contracts for all required home to school transport work for September 2022. The procurement process would need to be widened out to include bus services, and would mean that there is further work to include bus contracts within an already tight procurement timeline to ensure that any new providers are ready to deliver the new contract by 1st September 2022.

7. **Option 2** To procure a new taxi contract only for the 1st September 2022 as this will enable commissioners to explore a framework approach and also ensure relevant consultation is completed. In order to do this commissioners are seeking extend current contracts for York Pullman Bus Company Ltd. until the 31st July 2024.
8. Whilst there is some risks to Option 2 in regards to procurement and rationale as to why commissioners are extending the current York Pullman contract. However we are confident that any challenge to the process can be mitigated and withstand scrutiny.
9. A feasibility review provided by an external consultant in August 2021 that demonstrated the cost effectiveness of the current contracts using national benchmarking data. York Pullman has recently been awarded by DVSA earned recognition status, so they are one of the first bus and coach companies to successfully achieve this which places them in the top 2% of companies within the UK. Through this award the DVSA recognise that York Pullman have more than adequately demonstrated their ability to self-manage their own compliance with the regulations through best practice management. Furthermore, a 2 year extension would also enable some form of normality to return to the bus industry, which would widen the number of providers able to bid for the work and at the same time would allow time for costs to stabilise and for the commissioners to focus on other transport service procurement to achieve necessary savings.
10. It would also give adequate time to review the Tadcaster bus contract as this would need full consideration by members about whether or not to continue the arrangement of free home to school transport.
11. If a change is proposed then a public consultation would be necessary followed by a formal decision being taken by Executive. There is a lead in time to any proposed changes to the Transport and Admission policies so that parents are able to apply with an informed choice from the year prior to admission. A two year extension would give a reasonable time frame for this to be put in place and for commissioners to identify capacity to facilitate this work including achieving the overall savings plan. Therefore the

above analysis confirms due diligence around, quality, delivery and fair cost of service.

Analysis

12. Transport providers at both national and local level have been significantly impacted by the COVID-19 pandemic with major reductions in their workloads and a subsequent drop in income. This has been further exacerbated by rising fuel costs and wage rises to retain and recruit appropriate staff.
13. The Council will need to consider the timing of a procurement process for new bus contracts to ensure they are achieving value for money in uncertain times. Extending the York Pullman contract for 2 years would enable the Education Support Service and commissioners to focus on priority procurement of taxi services that will yield greater transport savings and support future delivery.
14. The current contracts have a significant focus on quality, health and safety, and safeguarding. York Pullman have consistently delivered a high quality service and made continuous improvements throughout the duration of the contracts. Within their fleet they operate 48 x vehicles that meet Euro 6 and a further 57 vehicles that meet Euro 5 exhaust emission specifications.
15. The contracts also require the transport provider to deliver a considerable part of the administration involved in delivering home to school transport services. This includes for example route planning, issuing of bus passes, customer enquiries and handling Stage 1 complaints.
16. All staff working on the contracts are required to have enhanced DBS checks done through the Council, and attend safeguarding training on a 3 yearly cycle. The contracts are managed via a strict Contract Management process and there are no concerns as to the performance of York Pullman
17. A recent transport review from an external consultant confirmed that York Pullman are delivering the service in a cost effective way when compared to national benchmarking data.

18. The Tadcaster bus contract is going to be reviewed over the next 2 years, so an extension of the contracts would be beneficial in this process rather than having procured a new contract to start in 1st September 2022.
19. Some soft market testing has taken place last year and the findings are that there is a potential reduction in the number of operators now available to do home to school transport work.
20. Our current provider York Pullman have indicated that the competitive price they have been able to provide previously is based on the fact they can link home to school transport work to other private hire work. This work included day trips and importantly other work for schools (trips and visits). Prior to COVID-19 York Pullman had seen an increase in the amount of work they were getting from City of York schools since they have held the contract.
21. York Pullman would be happy to extend existing contracts for an additional 2 years and would bid for any contracts under a new procurement process.
22. If contracts were extended, this would be under the current terms of the contract and service specification. Any price increases would be under the contract terms based on Consumer Price Index (**CPI**) as of 1st August 2022. The current contract terms relating to environmental standards will be required to be met in terms of Euro standards and age of vehicles (Euro 4 and no older than 16 years).
23. Pupil numbers are projected to remain the same. Delaying the procurement of this contract for a further 2 years it allows more time for providers to reevaluate their financial position and tender prices should therefore be more realistic. There may also be new providers that emerge in the market to increase competition over the next two years.
24. If contracts were extended, this would be under the current terms of the contracts and service specifications. The contract requirement is for minimum Euro 5 vehicles, although in practice a large percentage of vehicles used on the contract are Euro 6. Annual review of pricing would be by considering relevant

inflationary indexes. There has only been one annual price increase in the 5 year term of the contract.

Council Plan

A better start for children and young people.

25. Getting children and young people to and from school each day via the Council's home to school transport arrangements is a key part of the Local Authority's education responsibilities. It is important therefore that the service is reliable, safe and cost effective.

Getting around sustainably

26. The options available for getting children and young people to school each day need to be considered in terms of the environmental impact of those options. It is essential therefore that the Council encourages use of public transport, shared transport, and sets targets around the types of vehicles used to transport children and young people around the city where it is able to. It also enables the council to work with transport providers in partnership to cut congestion, pollution and carbon emissions.

Well-paid jobs and an inclusive economy

27. As these services are delivered by local transport contractors this provides a significant number of jobs within the local area and therefore benefits the local economy.

26. Implications

- **Financial**

The Home to School Transport bus contracts are funded from the Local Authority's General Fund budget.

The budget for 2021/22 is £879k and is overspending by approximately £104k as a result of three additional buses that have been required to meet increasing pupil numbers eligible for transport at Fulford School and Huntington School. Based on the estimated academic year cost quoted above of £997k, there will be a budget gap of £118k in 2022/23. This be funded by a contribution from the

Childrens Services growth which has been allocated in the 2022/23 budget process.

- **Human Resources (HR)**

There are no HR implications.

- **Equalities**

An Equalities Impact Assessment is attached at **Annex 1**.

- **Legal**

The Council has a statutory obligation to make travel arrangements to facilitate attendance at school, contained within the Education Act 1996. Further obligations are placed on the Council by the Children & Families Act 2014, as well as the Equalities Act 2010 (see the **Equalities** section of this Report above and **Annex 1**).

The values of each of the Home to School Transport contracts considered in this report exceed the thresholds contained within the Public Contracts Regulations 2015 (the "**Regulations**"). The Regulations will therefore be relevant when considering both Options presented in this report.

The regulations have been explored with legal colleagues and whilst there may be a small possibility of challenge in terms of additional bus providers in the market, in terms of an additional 2yr extension. Commissioners alongside legal colleagues have completed due diligence to ensure there is transparency in the process and a clear value for money rationale. There will also be no material changes within the contract extension, this further supports option 2.

- **Crime and Disorder**

There are no Crime and Disorder implications

- **InformationTechnology(IT)**

There are no IT implications

- **Property**

- There are no Property implications

27. Risk Management

The risks associated with the two options are detailed in the report.

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**Report
Approved**



Date 5.3.22

Annex 1 EIA - York
Pullman Contract exte

Specialist Implications Officer(s)

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Wards Affected: *List wards or tick box to indicate all* **All** √

For further information please contact the author of the report

Background Papers:

Report to Executive 11 February 2021 – Request to Extend Home to School Transport Contracts

Annexes:

Annex 1 - Equality Impact Assessment