



# Report

Report to:	<b>Norrie Anderson, Executive Director Community Resources</b>
Date of Meeting:	<b>20 October 2010</b>
Report by:	<b>Dave Gibson, Fleet Services Manager</b>

Subject:	<b>School Transport Contracts</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Provide a background note on the current arrangements for school transport contracts.

## 2. Recommendation(s)

2.1. The Executive Director, Community Resources, is asked to approve the following recommendation(s):-

- ◆ that a full feasibility study on the current school transport contract provision be carried out.

## 3. Background

- 3.1. The Council's School Contracts are currently facilitated through two separate and different procurement processes. In the first instance Mainstream contracts are procured through the use of the external service provider, Strathclyde Passenger Transport. In this arrangement pupils are picked up at a predetermined location and dropped off at the close of the school day. Traditional taxis and full size passenger carrying vehicles are used. Around 350 individual contracts are entered into annually, with over 8,000 pupils being transported to and from school.
- 3.2. The Additional Support Needs Contract, on the other hand, is provided through the Council's Fleet Services, additional support coming from Central Procurement. Under this process pupils are collected from their own home and returned similarly at the end of the school day. Many pupils have complex transport needs which require special vehicle adaptations, medical support and supervision through the placement of an escort in the vehicle along with the pupil(s) and driver. Annually around 670 contracts are awarded in support of transporting 1500 pupils to and from their home.

3.3. The financial implications relative to each school contract process is as follows: -

### **Mainstream**

Contract Payments	£4,698,248
Payment to Strathclyde Passenger Transport	£237,058
Sub Total:	£4,935,308
Number of Contracts	350
Cost per Contract (Total)	£14,100
Cost per Contract (SPT)	£677.00

### **Assisted Special Needs**

Contract Payments	£3,934,870
Payment to Fleet Services	£65,130
Sub Total:	£4,000,000
Number of Contracts	670
Cost per Contract (Total)	£5,970
Cost per Contract (Fleet)	£97.00

Observations on the above identifies the variance in cost between the administrative or management cost per contract when using the external procurement provider (Strathclyde Passenger Transport) as opposed to the Council's Fleet Services. The variance, £677 and £97 respectively, would suggest that an alternative delivery model may be worth considering.

## **4. A Feasibility Review**

- 4.1. Acknowledging the high differential administrative contract cost between the use of Strathclyde Passenger Transport and the Council's Fleet Services it is recommended that a feasibility study on the existing Mainstream School Transport provider be carried out.
- 4.2. The scope and key areas to be assessed within the feasibility review would include:
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  - ◆ Scope and potential services to be provided
  - ◆ Review and evaluation of options for future service provision
  - ◆ Links to council objectives/strategies
  - ◆ Opportunities for service expansion
  - ◆ Opportunities for efficiencies
  - ◆ Key risks
  - ◆ Employee implications
  - ◆ Implication to other departments
- 4.3. A Member/Officer working group has been created to review school transport and asked for this feasibility review. If this group is granted an extension then it could be appropriate for it to make recommendations once the feasibility review has been carried out.

Initial indicative research has established that SPT provides a range of services many of which are also carried out annually in respect of ASN contract award and management. For example if the timing of the annual contract renewal for SPT contracts could be aligned out with the period of ASN contract renewal, efficiencies in the additional internal resources required could be achieved through sharing the resources needed on both contracts.

Certain services provided by SPT are however currently not part of ASN contract management. These include the following:-

- Contract monitoring is currently carried out by SPT on in service vehicles to ensure they comply with the terms and conditions of contract. SPT also carry out reactive checks on ASN contractors where concerns are identified.
- Agree codes of conduct for drivers and attendants.
- Liaise with the Traffic Commissioner and VOSA
- Convene, host and attend education transport liaison meetings with other participating local authorities

The full feasibility review will ascertain the resource implications of the above additional tasks as well what additional resource would be needed to combine the common tasks of mainstream and ASN contracts. There are however no technical or skill shortage concerns on delivering this service internally. In terms of current resource availability full commitment to the study wouldn't be possible until after August 2011 and completion of the International Children's Games although further outline research may be possible in the interim.

- 4.4 Clarification would be required as to the exact detail surrounding the council's formal commitment and other contract conditions delivered by Strathclyde Passenger Transport as it is understood the council is associated with this external organisation until 2011.

## **5. Employee Implications**

- 5.1. There are no employee implications relative to the report in consideration of carrying out the feasibility review. A wider discussion from within the actual review could determine the need for a modest need for staff increases.

## **6. Financial Implications**

- 6.1. As previously outlined the administrative cost of engaging Strathclyde Passenger Transport amounts to £237,058 per annum. On a very broad calculation (which should be refined through the feasibility study) the administrative cost of managing the Mainstream contracts by the council's Fleet Services (using the average contract cost that Fleet Services incurs when delivering the Assisted Special Needs School Transport service) would amount to £34,000. Excluded from this cursory assessment is the impact on staffing which would increase the cost of delivering the service from a council perspective but there would still be an overall efficiency saving to the council.

## **7. Other Implications**

- 7.1. None

## **8. Equality Impact Assessment and Consultation Arrangements**

- 8.1. None

## **Executive Director ( Resources)**

**Link(s) to Council Objectives and Values**

Objective: Efficient and Effective use of resources

Values: Accountable, effective and efficient

**Previous References**

None

**List of Background Papers**

None

**Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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