

**.COUNCIL MEETING-15 JULY 2021**

**URGENT AGENDA ITEM**

**SCHOOL TRANSPORT SERVICE (Community Services - Darren Williams)**

**Synopsis of report:**

**To provide an overview of the status of the School Transport Service**

**To explain the cause of the delays in the procurement of fleet and the legal position the Council finds itself in regarding the lease agreement**

**To provide information to Members to enable them to review the decision to deliver the school transport service, if deemed appropriate to do so**

**Recommendations:**

- **Members are asked to decide on one of the following options:**

a) **That the school transport service be postponed until September 2022 at the earliest, allowing Members and officers time to review both the need for the service and also the other projects and priorities to support children and young people within the borough, in order to ensure the current subsidy agreed for the service is spent in the most appropriate way.**

**And**

**That the current lease contract for 7 x lease vehicles be cancelled, to allow for a timely review to take place.**

**And**

**That in support of families who used the previous school transport service, funding for contributions to public transport costs be made, with a maximum budget of £58,500.**

**And**

**That to support families within the borough impacted by the Covid pandemic, a grant of £2,500 is awarded to each secondary school, totalling £12,500, with officers working with the schools to create a hardship grant scheme for the academic year 2021/2022.**

**Or**

b) **That the school transport service proceeds as agreed by previous Full Council, but with a revised commencement date of**

**November 2021, following the autumn half term. This will be on a staggered basis until such time as all fleet vehicles arrive.**

## **1. Context of report**

- 1.1 At a meeting of Full Council in September 2020, a decision was made to re-provide the previously Section 106 funded Yellow Bus Service.
- 1.2 Since this time, Officers have been working as instructed on the implementation of the school transport service, as part of a wider Community Transport offer provided by the Council.
- 1.3 Included within the preparation of the new service has been the planning of processes, communication plans, required recruitment and critically the procurement of 3 x capital purchase vehicles and 7 x lease vehicles, as approved at Full Council.
- 1.4 Despite the best endeavours of officers, the impact of a pandemic and supply chain issues in relation to the build of ordered vehicles, has resulted in the service being delayed from the aspired April 2021 date that was approved at Full Council.
- 1.5 Meanwhile, the aspirations of Members to deliver more for residents of all ages across the borough, against a backdrop of a position of financial recovery following the pandemic, has meant that given the changes within homes and communities during the pandemic, the unknown demand for the service and also the considerable service subsidy, even though at a relatively late stage, the opportunity to review the priorities in this area is felt to be needed.

## **Report**

### ***Background***

- 2.1 In July 2020, the previous school transport service, provided by First ended, and the decision not re-tender the service, however reached, prompted Members to request that consideration be given to a new service delivery option that would commence as soon as possible.
- 2.2 A presentation given to members of the Community Development Members Working Party in September 2019, gave a summary of the previous tender submissions for the existing contract, ranging from 460k to 1.3m.
- 2.3 Given the likelihood that any future contract would cost greater than the 460k, particularly given the desire to move away from 20 year old, high polluting vehicles, as part of the councils environmental agenda, it was determined that the most financially affordable option would be to provide an in house service.
- 2.4 As a result, in response to the request from Members, a proposal for an in house model, using an extended Community Transport fleet of vehicles with up to 16

passenger seats was presented to, and approved by, Full Council, in September 2020.

- 2.5 In planning the service, data on the uptake of the service was not readily available, such was the way that the service was planned and delivered (Council officers were not directly involved in either). However, a request of First Beeline (contractor) to record passenger movements was made in October 2019 with the table below outlining the uptake in service:

*Table 1: Passenger Usage: Full Week – October 2019*

School	Lowest Combination Total Users per Day	Highest Combination Total Users per Day	Total Passengers Travel Over Week	Percentage Uptake Against Total Available Capacity
Fulbrook School	80	95	430	35%
Jubilee High School	2	4	14	7%
Magna Carta School	82	108	493	79%
Salesian School	52	78	341	137%
	216	285	1,278	

- 2.6 The above information was used to determine the number of seats that could be offered to each school within the level of subsidy that could be approved, with the addition of Chertsey High School which was not included within the previous contract. The table below outlines the level of availability as advised at Full Council as well as the current revised capacity, due to operational processes and fleet procurement.

*Table 2: Proposed Service Capacities*

School	Number of Vehicles to be Deployed	Number of Routes	Total Capacity as Advised at Full Council	Total Capacity as a Result of Operational Processes & Fleet Procurement
Chertsey High	1	2	28	26
Fulbrook	4	8	112	104
Jubilee High	1	1	14	13
Magna Carta	4	8	112	104
Salesian	2	4	56	52
Total	12	23	322	299

### ***Financial Information Relating to Decision***

- 2.7 The full year budget for the service has been set for 2021/2022 following the decision of full council and is set with a subsidy of £263,978. Whilst there is the potential to realise further efficiencies, this represents a significant subsidy per pupil even if operating at 80% of the original seating capacity (258 pupils), of £1,023 per pupil. This is based on the same pupils using the service for a full academic year.
- 2.8 Access to this subsidy, by a small number of pupils, is also based on the ability of families to pay for the service at £4 per day. Given the set rate per day, the service is not free at the point of entry and is therefore likely to exclude many families who are unable to afford the service, for whatever reason.
- 2.9 Ongoing conversations with Members have resulted in concern being expressed not just of the cost of the service at a time of financial challenge for the Council, but of the amount of subsidy per pupil that this amounts to. Concerns that the service is not able to be equally accessed by all due to financial reasons and capacity limitations, and that the financial commitment of the Council is not benefiting children and families of the borough in the widest possible sense is a key consideration being given, particularly when it is recognised by officers and Members that increased provision for young people in the borough needs to be a priority.

### **Impact of Covid-19 and the impact of no service provision**

- 2.10 It is understood that the lack of available service over the last academic year would have had an impact on families who were previously using the service and potentially on those who would have intended to use it as their child(ren) enter Year 7 in September 2020.
- 2.11 However, the impact of the pandemic would have equally had an impact on families, their home life, on education, working patterns and location etc. as well as on the finances of families. Equally, the lack of available service provided by the Council will have resulted in pupils travelling to schools by other means.
- 2.12 Officers have no information to suggest that the impact of the pandemic, together with a loss of service provision for a whole academic year, would have resulted in travel arrangements for pupils attending school long term, or the future demand for the service. However, observations by Members have been an increased number of pupils walking and cycling to school.
- 2.13 As raised by members in Community Services Committee in June 2021, and more recently when this report was requested, the demand for the service remains unknown and there is a potential that demand for the service will have decreased further.
- 2.14 For information, the Corporate Head of Community Services has received 96 email enquiries following one Councillor writing to a list of 600 families who had expressed an interest in an alternative service that was discussed during the summer of 2020, following it being raised at a meeting of Community Services Committee.

### **Progress with Planning of Approved School Transport Service**

- 2.15 Planning for the school transport has been ongoing throughout the pandemic, at a time where key officers across all business areas have been delivering the priority of

the Council, to support the residents of Runnymede. This has affected officers time and availability to commit to the project in some respects.

That said, colleagues across several departments, including Procurement, Legal, Information Governance, Finance, Communications, and the DSO, together with Community Services and the Corporate Projects team, much work has been completed. In doing so, officers have worked together to try and ensure that the launch of a new service is as smooth as possible, with all the necessary components in place.

- 2.16 However, one significant impact to this process, the delayed delivery of procured vehicles, has held up other areas of work as well as jeopardise the commencement date of the service on two occasions, prompting reports to be presented to Community Services Committee. This as a result has had a significant impact on the ability to plan, communicate on delivery matters with schools and parents etc.
- 2.17 The initial procurement process was undertaken with a view to receiving vehicles before March 31<sup>st</sup> for an April commencement (following Easter break). However, Officers were advised at this time that it would not be viable and that end of June 2021 was most likely. This was the basis on which Community Services Committee determined that September 2021, the start of the new academic year, would be the appropriate revised commencement date.
- 2.18 Since this decision was made, officers have been advised of further delivery delays of both the capital purchase vehicles and lease vehicles by suppliers.
- 2.19 The supplier of the Capital Purchase vehicles has advised that due to a delay in the build of the base vehicle by Peugeot, the likely delivery date for these vehicles is October 2021. Therefore, Officers are using October 31<sup>st</sup> as the likely delivery date.
- 2.20 The supplier of the seven lease vehicles has also written to confirm that due to the unavailability of vehicle components, namely Semi-Conductors, lead times have increased significantly with a revised expected delivery date of January/February 2022. The supplier has though advised that this could potentially extend further.
- 2.21 Given the information on the delayed vehicle delivery dates, a report taken to Community Services Committee, in June 2021, sought approval for the service to commence in September 2021 on a staggered basis, starting with Magna Carta High School. This was approved.
- 2.22 Following Committee, a required action was for “Officers to confirm the lease arrangements with regard to a break clause in the contract with the vehicle suppliers”. The response to this is included in this report.
- 2.23 Whilst the procurement exercise was completed in January 2021, a subsequent delay caused by the supplier in relation to providing information concerning their financial standing against the Councils procurement rules and the need to provide a parent company guarantee, together with delays in returning a signed contract and then when doing so completing this incorrectly, has resulted with the current situation of a contract between the Council and the supplier of the lease vehicles being unsigned.
- 2.24 In response to the question asked in relation to the action detailed in 2.23, legal colleagues have advised that as the contract is unsigned and as the company is

unable to meet the agreed delivery timescales of the Council, there is the opportunity for the Council to exit this arrangement without incurring any financial penalty.

- 2.25 Should the Council continue to proceed with signing of contracts on the basis of receiving the vehicles in February 2022 (although this cannot be guaranteed at present), the contract does allow for the Council to exit, should the demand for the service or any reason prompt the need to review. The table below outlines what would need to be paid by the Council in exiting the lease arrangement:

*Table 3: Lease Termination Charges*

YEAR OF TERMINATION	SCHEDULED LEASE PERIOD			
	2 YEARS	3 YEARS	4 YEARS	5 YEARS
YEAR 1	2 months	5 months	6 months	7 months
YEAR 2	1 month	3 months	4 months	5 months
YEAR 3		1 month	2 months	3 months
YEAR 4			1 month	2 months
YEAR 5				1 month

### ***Information Relating to the Proposed Recommendations***

- 2.26 Given the delays to fleet procurement and the legal view of being able to exit this agreement at no cost to the Council, provides the opportunity for Members to take a step back and consider whether a school transport service remains a priority for the Council, or whether the £260,000 subsidy that is forecast would be better utilised in other ways, notwithstanding the current financial position of the council and the need to achieve efficiency savings.
- 2.27 It is important to note that in committee discussions relating to anti-social behaviour, often the lack of services for young people, is cited as a possible cause. With aspirations for youth café's, community hubs, replacement of play equipment etc. all of which could be more widely accessible and potentially free at the point of entry, would provide far wider reaching services in the community than the school transport service.
- 2.28 Equally, if parents and young people were asked, they would have their own ideas about what they would like within their local communities and quite possibly would see other facilities and services as a priority over a school transport service that has limited access to it.
- 2.29 Therefore, given the delays experienced, the changes within homes and communities as a result of the pandemic and also the wide ranging priorities and aspirations of Members, it is proposed that a pause is taken on the mobilisation of the school transport service, to enable Members and officers to work together to consider the most appropriate way to utilise the subsidy currently budgeted and for

engagement with parents, children and young people in the borough to be undertaken in order to identify what matters most to them and what they would like to see within their community. The financial position of the Council does mean that financial efficiencies need to be found, however this is not the primary motivation for this report and therefore the proposed work is more so about identifying priorities in support of children and young people.

- 2.30 Approving the recommendation to pause the mobilisation would result in service commencement, should it be determined to still proceed, being from September 2022. As a result, the current lease vehicle procurement process would be abandoned.
- 2.31 Should Members determine that this service should continue to be mobilised, the impact of this report on timings has meant an inability to work/communicate with both schools and parents. As a result, it is likely that the commencement date of the service would be postponed until the end of October 2021, following half term, to allow for engagement with schools and parents, to coordinate bookings etc.

### ***Support for Families Impacted by Termination of Previous Service***

- 2.32 It is recognised that from the time when the previous Yellow Bus Service was terminated, the decision to pause mobilisation will mean that three year groups of pupils who were previously accessing the service will continue to be affected.
- 2.33 As a result, discussions with Members has resulted in the recommendation that these pupils are supported over the next academic year, through a scheme whereby the Council will contribute to their accessing of public transport services.
- 2.34 For many pupils attending secondary schools and who are eligible for home to school transport assistance, this is provided by Surrey County Council, in varying ways including the provision of free travel passes for public transport.
- 2.35 The Frequently Asked Questions document produced by Surrey County Council titled "Home to School Transport" states the following in determining how appropriate travel methods are determined:  
  
*"...Your child is expected to travel on the most cost-effective service, whether bus, train, coach, taxi or travel allowance, where you have requested this and this is the most cost effective form of transport. This will be decided by Surrey County Council."*
- 2.36 Given that the use of public transport is an acceptable form of Home to School transport for pupils supported by SCC, officers propose that for the academic year, 2021-2022, financial assistance is provided to those pupils who accessed the previous Yellow Bus Service. This would take the form of a 33% contribution to the cost of a weekly Acorn ticket, permitting unlimited travel on public bus services.
- 2.37 This Acorn weekly ticket is advertised on SCC's website at a cost of £15 per week for children resulting in a £5 payment per week for affected pupils. Given the reduction of numbers of pupils who previously travelled as a result of them leaving school, a budget is proposed for up to 300 pupils across the four previously served schools, totalling £58,500.
- 2.38 Understanding that some pupils are now travelling to school via train following the cessation of the previous service, support from the above scheme will also be

available to those previous passengers who travel by train, at the same contribution rate per week.

- 2.39 It is proposed that officers work with the schools to identify the pupils previously accessing the school transport service. Given the limited data available to the Council previously, this process would be dependent on the data held by schools.
- 2.40 For information, Appendix A (to follow) details the public service bus routes that serve each of the schools, as advertised by Surrey County Council on their website.
- 2.41 This commitment provides support to families whilst also utilising the public transport assets that are available. As a result, this promotes the most environmentally friendly travel option within the borough, which whilst not being the primary reason for the delivery of the previous school transport service, is increasingly a priority for the Council and for residents across the borough.
- 2.42 In addition, the Council has received funding from the Contain Outbreak Management Fund (COMF), which has been received from MHLG via Surrey County Council. The way in which the grant funding is spent is at the Councils discretion, subject to meeting the criteria that has been set out by MHCLG. One such criteria is *“Targeted interventions for specific sections of the local community and workplaces”*.
- 2.43 To further support families within the borough and pupils who may experience difficulty in accessing school, or who are affected in other ways as a result of the pandemic, it is proposed that a grant of £2,500 is given to each of the five secondary schools, for them to be able to use as a small grant scheme for targeted interventions to support families and pupils affected by the effects of the pandemic. Members are advised however that due to the source of the funding, this support will only be available for one year, that being the 2021/2022 academic year.

#### **Human Resource Implications**

- 3.1 If approved, the delivery of travel grants for previous users of the School Transport Service will need the input of officers from Finance and Community Services. The level of input will be dependent on whether this can be facilitated via schools, the frequency of the payments to be made etc.

#### **4 Financial Implications**

- 4.1 The 2021/22 budget and Medium-Term Financial Strategy (MTFS) approved at full Council on 9 February included a provision for £2m of ongoing savings by the end of March 2023 in order to balance the budget in future years. Whilst initial plans for voluntary redundancies, savings and the reengineering of services have been drafted, they currently fall well short of the total required, although a financial betterment against the 2020/21 revised budget means the Council has a slightly longer time to find the necessary ongoing savings required.
- 4.2 The current proposed subsidy of over £1,000 per child for a non-statutory service affecting a small proportion of the borough’s residents is not financially viable given the Council’s ongoing savings target. A more prudent approach would be to suspend the service and reinvest a proportion of the savings into more sustainable youth provision that would reach a greater number of residents.



- 4.3 Taking the opportunity to pause the mobilisation of the service and providing the contributions to pupils and schools set out in this report, will result in a one year saving of approximately £205,500 to the Council's General Fund. This saving will be reduced slightly following the regrading of Community Transport employees, as approved in the Full Council meeting of September 2020

## **5. Policy Framework Implications**

- 5.1 None identified.

## **6. Legal Implications**

- 6.1 As mentioned in the body of the report the provision of transport to enable travel between home and school is a discretionary service the Council has elected to provide.
- 6.2 The problems faced by the vehicle suppliers, in securing parts to construct the vehicles required, are also being experienced by large automotive manufacturers. The Ford Motor Company announced in late June that several of its North American plants would close for a few weeks in July and August due to a global shortage of semi conductors.
- 6.3 As indicated in the body of the report, the proposed contract between the Council and the supplier of the lease vehicles has not currently been completed. The Council could pursue the options which are set out in the body of the report. It should be noted that if it were decided to complete the contract there will be a delay in the delivery date of the vehicles due to global supply chain issues.

## **7. Environmental/Sustainability/Biodiversity implications**

- 7.1 The proposal to contribute to school pupils accessing public transport will mean the use of existing transport assets. This as a result will mean a neutral environmental impact and no change in vehicle emission levels.

## **8. Conclusion**

- 8.1 The summer of 2020 was a time when Members requested a straight replacement for the previous school transport service be provided. However, despite the efforts of officers, the ability to realise a replacement service within a relatively short period of time and during a pandemic, has not been possible.
- 8.2 Combined with, the impact of the Covid Pandemic on individuals and communities whilst a service has not been available, against the changes experienced over the last year to individual family life, whether, financial circumstances, working arrangements etc. alternative means of getting to and from school have had to be found.
- 8.3 Officers, at the request of Members are presenting a report that allows for time to be taken to consider what are the priorities for the Council in how it supports children

and young people, and also to engage with parents and children on what matters to them and what they feel is required within their communities.

- 8.4 With such a significant subsidy for a greatly limited number of users and wider beneficiaries, the opportunity to consider how Council funds are best spent, at a time when the Council is facing a period of financial recovery, may be considered appropriate by Members, as is the opportunity to identify the priorities of children and families in the borough.

(To resolve)

### **Background papers**

Report to Full Council – July 2020

Report to Full Council – September 2020

Report to Community Services Committee – March 2021

Report to Community Services Committee – June 2021