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**To: Finance and Corporate Services Scrutiny Board (1)**

**Date: 21 March 2024**

**Subject: Home to School Taxi Update (following 11 January 2024 briefing)**

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**1. Purpose of the Note**

- 1.1. The purpose of this note is to provide the members of the Finance and Corporate Services Scrutiny Board (1) with a background on the establishment and use of the home to school taxi service and an update on its review.

**2. Recommendations**

- 2.1. Scrutiny Board 1 is recommended to note the actions being undertaken in addressing the challenging costs of the home to school taxi service provision.

**3. Information/Background**

- 3.1. The current arrangement for home to school taxi provision was tendered under a Public Contracts Regulations 2015 (as amended) compliant, Open procedure, and commence on 01 July 2018 for a term not to exceed ten (10) years (up to 30 June 2028).
- 3.2. As a Dynamic Purchasing System (DPS), the arrangement allows for providers to enter and leave the contractual arrangement during its term. There are currently 37 active providers on the DPS.
- 3.3. Whilst certain prices (i.e., mileage, escort costs) were captured at the tender stage for the establishment of the DPS, these were not evaluated as a result of the regulations in relation to awarding a place on a DPS. Under the Regulations, all tenderers meeting the mandatory requirements of the tender are to be awarded a place on the DPS.
- 3.4. Price is then evaluated at the Call for Competition where all providers on the DPS are invited to bid for specific routes, schools or individual's requirements.
- 3.5. The Passenger Transport Service (PTS) run a bulk call off process over the summer period following the close of inviting requests for home to school taxi provision on 31 May each year. Panels are held by the PTS each day over the summer reviewing applications due to the volume, and whilst the bulk of the requests are received by the deadline, applications are received year-round resulting in weekly panels to review, approve, amend routes etc and issue new calls for competition.
- 3.6. Issues currently being faced by the PTS include parents wanting specific providers (i.e., not moving away from the incumbent provider) and 'bad' (short distance) routes which are unattractive to drivers/providers and late or last-minute requests for transport.
- 3.7. The calls for competition invite flat fees from the providers to ensure provision is received, through a reverse auction process where providers can continue to reduce their prices until such time that the auction ends.

- 3.8. The PTS authorise the award of routes following the call for competition(s), challenging prices they consider to be high for the service. However, this is somewhat inhibited by the statutory requirement to provide this service and assist in sending children to school.
- 3.9. In the last five (5) years, there has been an increase of 26% in the number of children and young people being referred, which has impacted on the school taxi provision. The home to school taxi provision provides c100 taxis per day subject to children’s needs and last minute changes/requirements. It is forecast that the outsourced taxi provision cost is £2.430m through the 2023/24 financial year (actuals and forecast).
- 3.10. It is acknowledged that the current provision is costly, however this is not an issue that is faced by Coventry City Council alone. [A recent set of Freedom of Information \(FOI\) requests](#) has highlighted the increased costs being faced by Authorities nationally, with some Council’s paying in excess of £500 per day for certain routes:

Highest Daily Transport Cost for an individual pupil\*

Camden	£969
Lincolnshire	£650
Redbridge	£630
Gloucestershire	£603
East Sussex	£577
Brighton and Hove	£500
Dorset	£482
Buckinghamshire	£480
Calderdale	£440
Powys	£409

*\*Information correct as of October 2023*

- 3.11. At the time of the FOI request, Coventry City Council’s highest daily transport cost for an individual pupil was £190. Of the 100 Authority responses published following the FOI, Coventry’s highest cost ranked 81<sup>st</sup> most expensive – cheaper than Birmingham (£378), Warwickshire (£320), Shropshire (£315), Wolverhampton (£239) and many more.
- 3.12. Engagement with a number of Local Authorities has indicated that the majority adopt a daily fee model as opposed to a mileage rate (including Shropshire and Dudley). PTS have engaged with Procurement Services to seek to re-tender the DPS in the coming months with a focus on a more robust specification including Key Performance Indicators (KPIs), transparency on costs, and terms and conditions.
- 3.13. In addition, PTS are seeking to bring the more expensive routes back in house. Since December 2023, PTS have reduced the use of the taxi service by bringing in house routes that will save £188,000 over the academic year:
- Closure of Castlewood Bus – saving £35,880 per school year
  - Extra run added to Corley Shuttle – saving single taxi with escort at a total of £19,500 per school year.
  - Cancelled 3x taxis to Corley totalling £390 per day, saving £76.050 per school year.
  - Cancelled 2x taxis to Sherbourne totalling £290 per day, saving £56,550 per school year.
- 3.14. Furthermore, PTS is currently recruiting in-house drivers and escorts to reduce the need for outsourcing the home to school service. Ten (10) drivers/escorts have recently been recruited, and there are currently another 14 vacancies in the process of being recruited to. This will assist PTS in delivering against an anticipated 72 routes to be covered daily.