



Mainstream Home to School Transport - Update

Committee Operations

Date of meeting 26 August 2022

Date of report 25 August 2022

Report by Chief Executive

1. Object of report

To update the Committee in relation to Mainstream Home to School Transport. Members are advised this report does not relate to Additional Support Needs (ASN) school transport.

2. Background

Under agency agreements with 11 councils in the west of Scotland, SPT manages, monitors and maintains provision of Mainstream Home to School Transport (HST). This is achieved through the procurement of contracted services from commercial bus & coach operators, taxi and minibus providers. This combination of operators is required as the complexity of school travel takes account of distance travelled, location of pupils to specific schools, and number of children to be collected on specific routes.

To that end, SPT typically has approximately 1,200 contracts in place, ensuring nearly 36,000 primary and secondary children get to school and home again, completing around 72,000 journeys per day. In 2021/22 the total budget for HST was circa £27 million. In 2022/23 the total budget for HST increased to £35 million.

The performance of operators in providing services in fulfilment of these school contracts is actively monitored by our team of compliance inspectors, whose role it is to ensure that the vehicles and service provided meet the safety requirements, contract specification and quality criteria stipulated by each council.

Normally, around 300 to 400 HST contracts are renewed annually on a rolling basis, covering all of the 11 council areas. However, given restrictions in place during the Covid 19 pandemic, and following government procurement guidance, SPT on behalf of our councils put in place over 369 temporary one-year contracts in 2020/21 and 760 in 2021/22 in order to maintain HST operations given the uncertainties faced.

Resultingly, ahead of the 2022/23 school term, and in line with our standard procedures, SPT advertised more than 900 contract renewals (to provide HST for over 36,000 pupils), on a phased basis during the period from January to June 2022, with contract terms ranging from one to five years in duration. As members will be aware, the need to tender such services is a legal procurement requirement.

Details on the Invitation to Tender (ITT) dates & contract volumes by council are detailed in Appendix 1 for reference. In total 852 contracts were recommended for award ahead

of the school term, with temporary contract offers received for the remainder. However, a substantial number of contracts were subsequently declined by commercial operators, in the days before schools returned, in particular 46 contracts were declined at short notice for North Lanarkshire Council (NLC) schools, and a further 16 for South Lanarkshire Council (SLC) schools, respectively. Operators cited lack of driver availability, fuel price volatility and wider inflationary pressures amongst reasons for declining contracts, many doing so only in the days before the school term commenced.

3. Update

Significant work by SPT's school transport team goes into contract specification, tendering, driver clearance through the Protection of Vulnerable Groups (PVG) scheme, contract award, and service monitoring. All contract specifications are approved by individual councils. Details on current contracts, number of pupils carried and outcomes of service monitoring is reported in the "Monitoring report on public transport services & facilities in the SPT area", which forms a separate report to this Committee.

The provision of school transport is timebound in that contracts must be in place for the start of each school term, specifically the August return after the summer holidays. As could be expected, preparatory work in advance of the August term is particularly intense but, in preparing for the start of the 2022-23 school year, officers were mindful that the circumstances in which contracts were being specified and tendered was unprecedented for a range of reasons.

From previous reports, members will be aware that the current commercial bus market in the west of Scotland is struggling to attain a sustainable position for future operation due to a significant decline in patronage; current figures show that bus patronage in the SPT area is around 70-75% of pre-Covid pandemic levels. The impact of this is compounded by the fact that, again due to the impact of the pandemic, operators have encountered issues in regard to the recruitment and retention of staff, specifically drivers, many of whom have chosen to pursue an alternative career path after the pandemic. It is worth highlighting that, in seeking to address this issue, SPT took the positive step of hosting a bus driver recruitment event at Buchanan Bus Station in January 2022, in partnership with affected operators.

Further, members are advised that commercial operators of registered services received Covid support during and up to Autumn 2022, when it is due to end. This funding has played a fundamental role in sustaining the registered bus network, albeit at a reduced level than pre-Covid. In relation to school transport Covid support, it is worth highlighting that, following discussion with SPT, operators were paid a proportion of their contract costs by councils during the pandemic without having to provide a service, in order to sustain the market during that time. The proportion of the contract cost paid by councils varied across the region, ranging from 25%-75%.

This unprecedented, ongoing and emerging scenario has created a 'perfect storm' for organisations such as SPT in seeking to ensure the provision of socially necessary bus services and contracts for school transport. The financial strain of passenger decline, staff issues, and future uncertainty created by the impending loss of Network Support Grants (NSG) has made operators wary and risk averse in formally committing to any new work – and this is not an issue unique to the West of Scotland. The coach operators and taxi providers who make up a sizeable proportion of school transport provision in some areas could be said to have faced even more challenging times than bus operators during the pandemic, given their core markets (e.g. events and tourism) all but collapsed at that time.

However, as schools returned in the week ending 19 August, bus provision had been secured to ensure that around 95% of pupils across the 11 council areas were taken to and from school for the start of their term. Regrettably, however, as the week progressed, and despite SPT having secured school transport for over 80% of North Lanarkshire Council (NLC) pupils, it became clear that an issue was emerging in being able to secure sufficient HST for around 1,600 NLC pupils (and over 300 SLC pupils), as the operators to be awarded the relevant contracts had, at short notice, withdrawn their offers to fulfil them.

Given the emerging situation, SPT officers met with NLC and SLC initially on Monday 15 August to inform them of this, followed up by detailed emails on Tuesday 16 August. SPT fully acknowledges the late communication of this in the emerging situation and subsequently issued a public apology, recognising the disruption that this causes for many, with a commitment to continue to seek to address the issue as soon as possible.

In this context, it is necessary to highlight that each council determines elements of their own HST specification which operators are required to respond to. In the case of NLC, this includes additional operator requirements including mandatory six-monthly MOT's and a maximum vehicle age limit of no more than 20 years old. These conditions were introduced by NLC following a serious school bus crash in 2017. Whilst these additional conditions are understandable, this represents a further challenge in securing both local contractors and those from further afield at short notice that is unique to North Lanarkshire.

In seeking to address the issue quickly, SPT mobilised a business recovery team focused on securing emergency coverage of HST in North & South Lanarkshire, working in partnership with the respective councils. The team were initially tasked with contacting operators of all sizes across Strathclyde, the rest of Scotland, north of England and Northern Ireland to ascertain if they could assist in the supply of buses, coaches, minibuses and taxis, inclusive of suitably qualified drivers. While some additional resources were identified and secured, it became apparent that given the scale of the driver shortage, particularly PCV qualified bus drivers, that the commercial market alone were unlikely to be able to meet the outstanding mainstream HST requirements in North & South Lanarkshire, at least not in the short term.

Given the above, and following further discussions with the respective councils, it was agreed as an emergency measure that council internal fleets and qualified drivers would be deployed to cover any unfulfilled contracts on a temporary basis as the team continued to secure commercial cover. During this period a small number of instances of operators accepting and then not fulfilling contracts also occurred, making communication of information to parents particularly challenging. Due to the scale of the issue in North Lanarkshire specifically, SPT entered into discussion with a local coach operator about the opportunity to access a fleet of large coaches, although they were unable to provide additional drivers. This resulted in SPT, with council agreement, procuring the lease of 10 high capacity coaches from Parks of Hamilton to supplement the council's internal minibus fleet. Suitably qualified bus drivers were identified within NLC and a small number in SPT to facilitate operations. To maximise the effectiveness of this resource, SPT also undertook the complex task of planning a "double run" scenario to ensure as many children had access to transport as possible.

Through the efforts of staff at SPT, NLC, SLC and bus operators, an interim solution covering the vast majority of affected pupils was secured by Monday 22 August. This interim solution will provide SPT and council officers with suitable time to identify a longer-term solution over coming weeks. SPT officers continue to engage with NLC, SLC and operators on a daily basis in continuing to monitor the situation closely, and stand ready

to address any further issues identified. SPT officers have been in regular contact with Scottish Government officials from both Transport Scotland and the Education Directorate to update on progress.

Since the commencement of the above interim solution on Monday 22 August, SPT has managed to secure 49 contracts with commercial operators totalling 38 contracts in North Lanarkshire and 11 in South Lanarkshire. SPT officers continue to work closely with our partners in North and South Lanarkshire to secure further cover in this regard, where possible.

In addition to the above, to address concerns and assist in communicating the interim solution to those affected, a dedicated helpline was setup by SPT specifically for Lanarkshire parents and guardians. The helpline commenced operation on Friday 19 August at 07:30hrs, staffed by the SPT Schools team, and remains in operation at the time of writing. More than 600 calls were received over the first six days of operation.

4. Conclusions

Mainstream Home to School transport provision is essential in supporting and facilitating the education of children across Strathclyde. SPT has successfully managed, monitored and maintained provision of mainstream Home to School Transport on behalf of 11 of our partner councils for many years. However, it is clear that the normal challenges SPT faces in terms of securing HST have been exacerbated to an extent by the Covid 19 pandemic, market fragility, recent fuel price rises and the ongoing acute shortage of bus drivers being witnessed across the country. Despite this backdrop, it is factual that SPT secured transport for more than 95% of pupils across the 11 council areas ahead of the 2022/23 school term commencing.

However, notwithstanding the above, SPT also recognises that it was wholly unacceptable for our partners in North and South Lanarkshire to be informed of the inability to meet their requirements at such short order ahead of the new school year commencing, due primarily to operators withdrawing their contract offers due to the reasons noted above. SPT was therefore quick to apologise to those pupils, parents & guardians affected, and took immediate steps to address the problem swiftly and efficiently within a very uncertain environment.

Looking ahead, a comprehensive internal review has been initialised to identify lessons learned from the issue, including links with NLC and SLC, as we continue to work with the 11 councils to identify sustainable HST solutions moving forward. In addition, in discussion with the Chief Executive of NLC it has been agreed to order a joint review into how we ensure longer term stability of this service provision. It is intended that this will be completed before the end of the calendar year.

5. Conclusions

The Committee is recommended to note this report.

6. Consequences

Policy consequences	<i>Delivery of school transport is in line with the RTS.</i>
Legal consequences	<i>None directly.</i>
Financial consequences	<i>The overall school budget for 2022/23 across all Councils is £35.055m which represents an increase of £2.722m (8%) compared to the 2021/22 budget. The</i>

2022/23 projected outturn for each Council will be confirmed on the finalisation of all contract awards.

Personnel consequences

To continue to deliver effective services staff from within the wider Bus Strategy & Delivery functions may need to undertake additional duties to assist the Schools Agency Services function. This will be continually reviewed and monitored

Equalities consequences

Ongoing monitoring of equalities impacts of school transport.

Risk consequences

The fragility of the Home to School Transport market remains an ongoing risk to delivering services effectively and efficiently.

Climate Change, Adaptation & Carbon consequences

School transport has a positive benefit through reducing the need for journeys by less sustainable modes.

Name Neil Wylie
Title **Director of Finance & Corporate Support**

Name Valerie Davidson
Title **Chief Executive**

For further information, please contact Gordon Dickson, Head of Bus Strategy and Delivery at 0141 333 3407 or Bruce Kiloh, Head of Policy and Planning on 0141 333 3740.

APPENDIX 1

Project 20424 - School Transport - 5 Year Contracts Tender Return Date 24/01/22

ITT Publication: 14/01/2022

Total Number of Contracts Intended to be Included - 117

- 69 on advert list on PCS-T
- NL 33 Contracts on PCS-T
- SL 15 Contracts on PCS-T
- RE 7 Contracts on PCS-T
- EA 5 Contracts on PCS-T
- SA 3 Contracts on PCS-T
- IN 6 Contracts on PCS-T
- Total contracts 69

Project 20459 - School Transport - 4 Year Contracts TRD 14/02/22

ITT Publication: 04/02/2022

Total Number of Contracts Intended to be Included - 140

- 112 on advert list on PCS-T
- GL 9 Contracts on PCS-T
- NL 26 Contracts on PCS-T
- SL 34 Contracts on PCS-T
- RE 5 Contracts on PCS-T
- EA 7 Contracts on PCS-T
- NA 2 Contract on PCS-T
- SA 8 Contracts on PCS-T
- IN 21 Contracts on PCS-T
- Total contracts 112

Project 20654 - School Transport - 3 Year Contracts TRD 14/03/22

ITT Publication: 04/03/2022

Total Number of Contracts Intended to be Included - 192

- 226 on advert list on PCS-T
- WD 15 Contracts on PCS-T
- EA 8 Contracts on PCS-T
- ED 26 Contracts on PCS-T
- ER 18 Contracts on PCS-T
- GL 3 Contracts on PCS-T
- IN 7 Contracts on PCS-T
- NA 23 Contracts on PCS-T
- NL 34 Contracts on PCS-T
- RE 16 Contracts on PCS-T

- SA 18 Contracts on PCS-T
- SL 58 Contracts on PCS-T
- Total contracts 226

Project 20910 - School Transport - 2 Year Contracts TRD 11/05/22

ITT Publication: 29/04/2022

Total Number of Contracts Intended to be Included - 293

- 145 on advert list on PCS-T
- EA 14 Contracts on PCS-T
- ED 8 Contracts on PCS-T
- ER 15 Contracts on PCS-T
- IN 6 Contracts on PCS-T
- NL 36 Contracts on PCS-T
- SA 18 Contracts on PCS-T
- SL 48 Contracts on PCS-T
- Total contracts 145

Project 21598 - School Transport - 1 Year Contracts TRD 04/07/22

ITT Publication: 23/06/2022

Total Number of Contracts Intended to be Included - 228

- 362 on advert list on PCS-T (35 on ERC Vocational)
- GL 48 Contracts on PCS-T
- NL 72 Contracts on PCS-T
- SL 101 Contracts on PCS-T
- ED 14 Contracts on PCS-T
- ER 18 Contracts on PCS-T
- RE 38 Contracts on PCS-T
- EA 21 Contracts on PCS-T
- NA 19 Contracts on PCS-T
- SA 21 Contracts on PCS-T
- IN 10 Contracts on PCS-T
- ER(V) 35
- Total contracts 397

