



## Report to Policy Committee

**Author/Lead Officer of Report:** John Hudson.  
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**Report of:** Executive Director, Neighbourhood Services

**Report to:** Resources and Strategy Committee

**Date of Decision:** 12<sup>th</sup> July 2023

**Subject:** Extension of the Dynamic Purchasing Scheme (DPS) (OJEU Reference 2016/S 064-110574) for transport services

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

**Purpose of Report:**

To seek approval to commission transport provision for a period of up to 5 years (until July 2028).

This report will set out transport services delivered by Council and those who benefit from such services.

This report will set out the need for transport services and explain why a further 5 years of service provision is required.

**Recommendations:**

The Strategy and Resources Committee is recommended to approve the commissioning of transport services from private transport contractor providers for the next 5 years, with an estimated value of £45.4m, as set out in this report.

**Background Papers:**

*(Insert details of any background papers used in the compilation of the report.)*

**N/A**

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Anna Bibi / Sarah Rani</i>
		Legal: <i>Richard Marik / Rahana Khalid</i>
		Equalities & Consultation: <i>Richard Bartlett</i>
		Climate: <i>Jessica Rick</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	<b>SLB member who approved submission:</b>	<i>Ajman Ali</i>
3	<b>Committee Chair consulted:</b>	<i>(Insert name of relevant Member)</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> <i>John Hudson</i>	<b>Job Title:</b> <i>Transport Service Manager</i>
	<b>Date:</b> <i>04/07/2023</i>	

## 1. PROPOSAL

1.1 The proposal is to seek approval of the commissioning strategy to deliver statutory and non-statutory transport for an estimated value of £45.4m for the provision of transport services over 5 years using private contractors.

1.2 Transport services include:

- Special Educational Needs and Disabilities (SEND) Home to School Transport. This is statutory service that provides transport for children with SEND to attend their appropriate educational provision. The provision is a 50/50 mix of “in house fleet” (1150 passengers) and private taxi and minibus contractors (1120 passengers).
- Human Assets Team (HAT) emergency response. Transporting the general public effected by an emergency. The in-house fleet provide the initial emergency response and private taxi contractors provide a service to members of the public who have been evacuated from their homes and must attend medical or similar appointments. It also involves the movement of Council staff to different centres where necessary during an incident.
- Adult Social Care - Respite and Day centre transport for vulnerable adults. This service is provided by the in-house fleet and is complemented by the contractor taxis.
- Childrens Social Care – Looked after children who attend Respite, Supervision and require transport to their educational setting. This service is provided by the in-house fleet and is complemented by the contractor taxis, as some of the journeys are “out of hours”.
- The Forensic Team - Staff & Client transport. This is provided by private contractor taxis due to the team needing access to transport 24 hours a day, seven days a week.
- Mental Health Social Care team - Staff & Client transport This is provided by private contractor taxis due to the team needing access to transport 24 hours a day, seven days a week.
- Ad-Hoc transport - The service has also been used to deliver free (to the public) Covid-19 vaccine transportation. This was agreed in partnership between the NHS provider and the Council’s Covid-19 response team. The service was delivered by the in-house minibus fleet and private taxi contractors.

- 1.3 Transport services are currently delivered under a Council DPS and this is due to expire on 31<sup>st</sup> July 2023.
- 1.4 Demand for transport services is increasing, and an example of this is the demand for SEND Home to School transport. The table below illustrates this increase in average daily passenger numbers using the SEND home to school transport over the last three years. The table also shows how the cost per seat has remained consistent due to the competitiveness and flexibility of the current DPS.

Financial Year	Average Number of daily Passengers	Cost per seat per month
2021/22	1973	£604.68
2022/23	2114	£651.18
2023/24*	2270	£587.94

\* NB: This data is only for 2 months and is subject to change.

- 1.5 It is therefore proposed that in order to meet this increasing demand and the needs of the various service users, the Council commission service provision for the next 5 years for an estimated value of £45.4m. In order to implement this commissioning strategy, the Council intend to extend the current Transport Dynamic Purchasing System Contract by a period of 5 years, from which the Council can purchase transport services, subject to separate Council approval.
- 1.6 The competitive element of the DPS has kept the price per seat relatively static, in an environment where external costs, e.g., fuel, maintenance, vehicle prices, have been increasing.
- 1.7 Provision of the service in-house not a viable option. Due to the increase in demand the current fleet is near its capacity. In order to cover the work that is serviced under the current arrangements, the Council would have to increase its fleet size considerably and have a number of vehicles that would only have a unique use for this service. In turn this would mean the council would lose the flexibility that the current arrangement offers.

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

- 2.1 The contract enables young people with SEND to attend their education. The nature of the contract also allows it to be used for special events or short-term requirements such as Covid-19 vaccine transportation. The contract is therefore inclusive and flexible, providing transport that meets people's needs and enabling them to attend essential services and travel to life enhancing provision.

## **3. HAS THERE BEEN ANY CONSULTATION?**

- 3.1 Every year a customer survey is carried out to monitor the quality of the service that is delivered. The majority of the feedback is positive. Any issues that are identified are addressed and feedback given.

3.2 Stakeholders have been consulted regards to the renewal of the contract. The feedback from stakeholders has indicated that they believe the contract should be extended.

#### **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

##### 4.1 Equality Implications

4.1.1 The proposals identified within this report are expected to have a positive impact as the contract is open to everyone and provides opportunities for all. The spend on the contract goes to local businesses who in turn employ local people. An equality impact assessment has been completed.

##### 4.2 Financial and Commercial Implications

4.2.1 The demand for the service is increasing, leading to increased costs. The value of the contract is approx. £9.5 million per annum (£45.4 million for 5 years). The majority of this spend £8.5 million (£42.5 Million for 5 years) is associated with the SEND Home to School Transport service.

4.2.2 Each route is competitively tendered. There are no tie in periods and any route can be terminate with immediate affect without consequence.

4.2.3 To ensure that competition is maximised new contractors may apply to join the framework at any time via an initial procurement Standard Questionnaire

4.2.4 In addition, services are working together to look at innovative ways that the provision can make savings, without impacting on the needs of the people using the service.

4.2.5 The DPS is procured in line with PCR which allows for the set-up of a DPS and for its 'period of validity' to be extended with appropriate notices being published. thus, being open to new contractors to apply to join via a SQ at any time.

4.2.6 In addition to the above the DPS can be ceased at any time during its life span with a notification issued in line with the regulations governing the framework and without financial penalty to the Council.

4.2.7 The DPS does not contain a mandatory annual cost increase

4.2.8 Procurement regulations will be changing next year, currently it is not clear what, if any, implications that will have for DPS frameworks set-up under the current Regulations. If any changes are required these will then be acted upon, due to the set up of the DPS if changes are required there will be no cost or financial penalty for the council.

##### 4.3 Legal Implications

4.3.1 The Council have a statutory responsibility to provide travel assistance to children who have an entitlement because of their special educational needs and for Adult Care clients to meet their respite and other needs. This statutory responsibility is covered by the following legislation: the Education Act 1996, the Education and Inspections Act 2006, the Equality act 2010, Children Act 1989 and 2004 and the Chronically Sick and Disabled Persons Act 1970.

4.3.2 The provision of transport services as set out in this report will ensure that the Council meet these statutory duties and the proposal in the report that these duties will be met by way of an extension to the existing DPS framework is one option (subject to separate Council approval.)

#### 4.4 Climate Implications

4.4.1 Both the Sheffield and neighbouring Local Authority transport fleets used on this contract have only just started their journey to decarbonisation. This means that the number of Ultra-Low Emission Vehicles (ULEVs) and electric vehicles (EV) available to use on the contract is currently very low.

4.4.2 This, alongside the increased demand for transport means that CO<sub>2</sub> levels produced on this contract will unfortunately remain the same.

4.4.3 However, as the green transport fleet matures, and the full impact of the clean air zone is realised it is anticipated that CO<sub>2</sub> levels from the fleet will start to reduce.

4.4.4 During the lifespan of the contract the use of ULEV and EV vehicles will be monitored to see if usage increases.

4.4.5 A Climate Impact Assessment has been completed.

#### 4.5 Other Implications

4.5.1 There are no other implications of this report.

### 5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 **Option 1** – Do nothing.

This is not a realistic option as the control that the current arrangements provide would be lost. This would lead to a financially unsustainable and operationally inefficient service. It would also put the council in a position that no longer aligns to our strategic objectives in terms of the environment and lower emissions.

The council would also be in breach of its statutory duties if it could not provide a SEND Home to school transport service.

5.2 **Option 2** – Revise the commissioning strategy so only ULEV and EV

vehicles can be used for the provision of transport.

This is not an option. The in-house fleet is CAZ compliant but the available vehicles on the private contractor fleet that meet this criterion are currently very limited. This would mean that the Council would not be able to fulfil the demand and thus would not be able to meet its statutory obligations in terms of transport.

5.3 **Option 3** – Provide in-house.

This is not a viable option. Due to the increase in demand the current fleet is near its capacity. In order to cover the work that is currently serviced by the DPS contract the council would have to increase its fleet size considerably and have a number of vehicles that would only have a unique use for this service. In turn this would mean the council would lose the flexibility that the DPS has to offer.

5.4 **Note** - It is worth noting that the introduction of the Clean Air Zone (CAZ) will impact positively on current taxi provision by increasing the number of CAZ compliant vehicles used.

## 6. REASONS FOR RECOMMENDATIONS

- 6.1 The commissioning strategy will ensure continuous delivery of transport services to meet the needs of the young people. The commissioning strategy will ensure the Council can fulfil its statutory SEND home to school transport responsibility and delivery of the Council's objective of "Happy young people who have the start they need for the future they want".
- 6.2 The intention to extend the current DPS (subject to separate Council approval) will continue the control on the cost per seat.
- 6.3 The commissioning strategy will continue to support local transport businesses and local people.
- 6.4 The commissioning strategy will provide the opportunity for the Council to support local transport businesses and help guide them on their carbon reduction journey.

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