



## **Review of Mainstream School Contract Service Provision**

### **RECOMMENDATION**

1. That members note the contents of this report and its appendices.

### **SUPPORTING INFORMATION**

- 2.1 This report details the first stage of a two stage review process. Following the recent introduction of advanced charging for pupils using mainstream supported school bus services in September 2008, officers met with the relevant Cabinet portfolio holders in October and November 2008 to discuss the current levels of loadings on these services. In many cases, the levels of usage were relatively low, allowing scope to make potential economy savings.
- 2.2 As a result, officers were requested to undertake a review of mainstream school contract service provision. A briefing paper (attached as Appendix 2) was produced for members, outlining the proposed structure and content of the review. A two stage process was proposed, with the initial aim of allowing officers to focus on the current levels of service provision and to amend contracts where possible, so that that provision of school transport could be more closely aligned to the current level of demand. Officers reported back to the Cabinet portfolio holders in November and it was agreed that the Phase 1 findings could be circulated and implemented. (The agreed final Phase 1 review is attached as Appendix 3).
- 2.3 Appendix 3 also outlines the content of the second phase of the review, which will be completed by late Spring 2009. On completion, this will allow the consideration of more fundamental service changes or withdrawals and the effectiveness of (and cost savings resulting from) any service amendments occurring as a result of the first phase of the review. It will also allow officers to consider the appropriate levels of provision for supported services across the City, broadening the scope of the review in response to requests from Members.

2.4 Since Appendix 3 was drafted, officers have implemented the following measures:

- Combining the two services serving Littleover Community School into one service, with effect from 1 December 2008. The current operator has then suggested that they are prepared to run this bus as a commercial service from 2 February 2009.
- Combining five existing services at Derby Moor Community Sports College to two services, with effect from 5 January 2009. These contracts will be then be re-tendered and new contracts awarded with effect from 23 February 2009, allowing operators who have 'lost' services an equal opportunity to tender for the remaining work.

2.5 The detailed timescales and savings realised by these actions are illustrated in Appendix 4. The total savings achieved from the two measures above will amount to £765 per day, or a sum of £145,000 over a school year of 190days. However, these savings are already included in the budget projections for this year; the intention is that any additional surplus savings will be used to support other budgets. The current budget review process will also consider how any further savings may be used. One option that is being considered is whether to withdraw the discretionary services altogether; as part of a range of savings to support other services.

2.6 Officers are currently seeking to rationalise and combine services serving Bemrose Community School and St George's Catholic Primary School as part of initiatives to rationalise other services, prior to any more wide ranging review. As part of this work, officers are maintaining an effective dialogue with bus operators to determine the most appropriate means of providing the most cost-effective service in each instance.

2.7 The results of the ongoing work to identify and quantify efficiencies will be reported to members in due course, as part of the completed Phase 2 review.

<b>For more information contact:</b>	David Dowbenko 01332 641754 e-mail <a href="mailto:dave.dowbenko@derby.gov.uk">dave.dowbenko@derby.gov.uk</a>
<b>Background papers:</b>	Appendix 1 – Implications
<b>List of appendices:</b>	Appendix 2 – Proposed Review of Mainstream School Contract Service Provision (October 2008 Briefing Note for Cabinet Members)
	Appendix 3 – Phase 1 Review of Mainstream School Contract Service Provision.
	Appendix 4 – Detailed Timescales for Phase 1 Mainstream Service Changes

<b>IMPLICATIONS</b>
---------------------

**Financial**

1. Implementation of the recommendations of the review is likely to result in significant savings for the Council. However, the exact amount will not be quantifiable until the second phase of the review detailed in this report is completed.

**Legal**

2. None arising from this report.

**Personnel**

3. None

**Equalities impact**

4. Officers will ensure that, in the event of supported services being modified or withdrawn, other reasonable alternatives are available, enabling pupils to travel to school in accordance with statutory obligations.

**Corporate Objectives**

5. This report has the potential to link with the Council's Corporate Priority of **giving you excellent services and value for money**.

## **Proposed Review of Mainstream School Contract Service Provision**

### **SUMMARY**

The Council has recently implemented the Advance Charging scheme agreed by members on 15 January 2008 for home to school transport. The scheme applies to all school age children and post-16 students.

Take up of the system has been low at some schools; therefore, to ensure that ongoing transport is provided in the most cost-effective manner, officers have been requested to perform a review of the current service provision. Officers are aiming for the initial results from the review to be provided by the end of the October half term holiday: this will allow adequate notice to be given to the providers and also parents of the pupils who are using uneconomic services.

However, members of the Planning & Transportation Overview & Scrutiny Commission have suggested that the scope of the review should be more wide-ranging; covering factors such as modal shift, a comparison of normal service bus loadings before & after the policy change and whether the current pattern of service provision is fair, in terms of the actual schools that have been provided with bus contracts.

Due to the limited time available to perform the service review and the fact that data for modal shift will not be available until the end of the year, it is proposed that a phased approach is adopted to the review, as detailed in Table 1 below.

### **SUPPORTING INFORMATION**

Please refer to Table 1, detailing the proposed outputs from the review process.

### **PROPOSED ACTION**

- That the review is split into two phases; this will allow officers to focus on the immediate need to consider the current levels of service provision and to amend contracts so that that provision is more closely aligned to the current level of demand.
- That the second phase of the review should report in March/April 2009. This will allow officers to consider the effectiveness of (and detail the cost savings resulting from) any service changes required as a result from the earlier review in phase one.

- A more detailed phase two review will also allow officers to consider the appropriate levels of provision for supported services across the City; broadening the scope of the review in response to requests from Members

**Table 1 – Proposed Outputs from Review of Mainstream School Contract Service Provision**

	<b>Suggested Content</b>	<b>Completion Date</b>
<b>Phase 1</b>	<p><b>Review of current service provision:</b></p> <p>1. Identification of :</p> <ul style="list-style-type: none"> <li>• most pressing service modifications. (aim will be to implement these changes as soon as practical)</li> <li>• other potential changes to services (with timescales – likely to be January/ February 2009)</li> <li>• appropriate decision making mechanisms within the Council</li> </ul> <p>2. Discussion of :</p> <ul style="list-style-type: none"> <li>• initial impact of advance charging on commercial services</li> <li>• impact on cycle usage at schools</li> <li>• reported congestion at schools currently served by supported services.</li> </ul> <p>3. Production of:</p> <ul style="list-style-type: none"> <li>• information &amp; advice for parents &amp; pupils likely to be affected by changes.</li> </ul>	<p>Draft report: 3 November 2008</p>

<p><b>Phase 2</b></p>	<p>1. Updates on :</p> <ul style="list-style-type: none"> <li>• modified service provision (following October review)</li> <li>• impact on commercial services from pupils near affected schools - using both observation &amp; 'B-line' data.</li> <li>• modal shift, using DfT-approved Pupil Level Annual School Census (PLASC) data</li> <li>• cycle usage at schools</li> <li>• congestion associated with supported services.</li> </ul> <p>2. A fundamental policy review of city-wide bus service provision issues;</p> <ul style="list-style-type: none"> <li>• including timescales, should action be required.</li> </ul>	<p>Initial findings by end of March 2009. Final report by April 2009</p>
-----------------------	--	--

**For more information contact:** Name: David Dowbenko Telephone: 01332 641754  
e-mail: [dave.dowbenko@derby.gov.uk](mailto:dave.dowbenko@derby.gov.uk)

**Background papers:** Table 1 – Proposed Outputs from Review of Mainstream  
**List of appendices:** School Contract Service Provision

**REVIEW OF MAINSTREAM SCHOOL CONTRACT SERVICE  
PROVISION**

**PHASE 1**

Integrated Passenger Transport Group  
Highways and Transport Division

**November 2008**

## **1. INTRODUCTION**

The Highways and Transport Division within the Council's Regeneration and Community Department is responsible for the procurement and operation of home to school transport services for Children and Young People and also for its own supported services.

### **1.1 Legal Background**

By law, the Council only has to provide free home to school transport for pupils who both live in the Council's area AND attend their nearest suitable school, which must be at least:

- two miles from home for pupils aged four to seven, or
- three miles from home for pupils aged eight to 16.

For a number of years the Council has, at its discretion, also provided free transport for pupils attending, on faith grounds, a faith school which is not their nearest suitable school but where the children live more than 2 or 3 miles from school as in the bullet points above. In addition, in some areas, the Council provides discretionary transport on payment of a fare for pupils that live within walking distance of, and attend, their nearest suitable school.

Under the Education and Inspections Act 2006 statutory provision was extended from September 2008, certain pupils have been eligible to receive free home to school transport from September 2007 (primary) or 2008 (secondary), including secondary school pupils who are eligible for free school meals, or those whose parents are entitled to the maximum level of working tax credit. This transport has to be provided to any one of three suitable schools closest to their home where those schools are between two and six miles away. For faith schools, the distance is between two and 15 miles.

### **1.2 Introduction of Advance Charging**

Budgetary pressures and the increasing costs of providing mainstream home to school transport led the Council to reconsider its policy on charging for all discretionary home to school transport – to faith schools and non-faith schools. For faith schools, children that received free travel. The rationale was that charging in advance would provide a more reliable level of subsidy throughout the academic year and enable the supply of transport to be matched more closely to demand than the former policy of charging on a daily basis for pupils using buses.

As part of these savings, the Council consulted on two occasions regarding proposals to change the charging policy for transport to faith schools and to increase all other home to school transport charges. The latter apply to subsidised transport, which tends to be provided in areas where pupils have difficulty getting a direct commercial bus service to take them to school.



Following these consultation exercises, members agreed to:

- introduce standard fares of £290 each year for primary-age pupils and £350 each year for secondary-age pupils who either:
  - lived within walking distance of their nearest suitable school or
  - attended a faith school which was not their nearest suitable school
- introduce larger discounts for households with more than one child up to age 16 travelling to school; with a maximum charge for each household of £850 each year.
- to increase the number of advance charging options.
- for faith pupils, to apply charges only for those starting at a faith school from September 2008. Other discretionary charges would apply to all pupils from that date.

The above arrangements, as detailed in Appendix A, have therefore been implemented since the start of the current term early in September 2008.

## **2. SCOPE OF THE REVIEW PROCESS**

This document forms the first stage of a two stage review process. The aim is to allow officers to focus in Phase 1 on the immediate need to consider the current levels of service provision and to amend contracts where possible, so that that provision is more closely aligned to the current level of demand.

The second stage of the review should report in March/April 2009. This will allow the consideration of more fundamental service changes or withdrawals and the effectiveness of (and cost savings resulting from) any service amendments occurring as a result of this earlier review.

A more detailed stage two review will also allow officers to consider the appropriate levels of provision for supported services across the City; broadening the scope of the review in response to requests from Members.

### **3. IDENTIFICATION OF MOST PRESSING SERVICE MODIFICATIONS**

The number of pupils using each contracted mainstream bus service is detailed in Appendix B.

It was felt appropriate to wait until the end of the first half term in 2008 before assessing the numbers of pupils, in order to give parents and pupils the adequate time to decide whether their initial mode of travel chosen to/from school at the start of term was realistic. The current figures are considered to be an accurate and representative assessment of service loadings, using the levels of service provided for the past few years.

#### **3.1 Assessment of Loadings - General Comments**

Assuming that loadings of pupils has stabilised by the end of the first half term (as detailed in Appendix B), the following initial conclusions may be drawn:

In general, loadings of pupils are well below the current capacity levels of the existing services, with the exception of the faith secondary school (St Benedict Catholic School). Loadings are relatively low at the faith primary schools (St George/St John Fisher and St Joseph), but would appear to offer only limited scope for efficiency gains in terms of service alterations or combining of routes.

The most significant issue appears to be the poor level of uptake from pupils who attend the non-faith secondary schools currently provided with supported services; namely Bemrose Community , Derby Moor Community Sports College and Littleover Community School. A more detailed assessment of these schools is provided below.

##### **3.1.2 Officer Suggestions for Actions this Term**

**Littleover Community School:** As noted above, the most pressing need for immediate action is at Littleover Community School, where only 13 seats have been allocated – some 9% of the current maximum capacity of 148 seats provided by the two double-decker buses on services 275 and 276. Only two of the pupils concerned are eligible for free home to school transport.

It is suggested that, as an interim measure, the two Littleover services are combined and, if possible, a smaller vehicle suited to the current level of demand should be utilised. Analysis by officers has indicated that one bus could cover the routes of both services, with little impact on the current users other than of revised timings.

The current operator of both these services has informed officers that it should be feasible to combine the buses in the manner suggested as a short term measure. In the medium term, the operator has suggested

that all the pupils currently served by the existing routes could be carried by a new commercial service provided by this operator, with pro-rata refunds being provided as required. Should this be considered as a feasible option, a considerable financial saving would be possible.

**Derby Moor Community Sports College:** At present, five supported services are provided to this school, with only 72 seats being allocated from a total capacity of 370. In theory, the five buses might be reduced to one. However in practice, having analysed the locations of all the pupils using these services, two buses will be required to cover the areas from where pupils travel. Officers suggest that the reduction from five to two services be performed as quickly as possible, aiming for implementation before the Christmas holiday.

#### **4. OTHER POTENTIAL CHANGES TO SERVICES**

It is proposed to realise any further efficiencies by reducing bus sizes, withdrawing or combining services and replacing them with fewer services with revised routes; several options exist which could realise financial savings. These would be investigated in detail as part of the proposed Phase 2 review, but are outlined below in sections 4.1 & 4.2.

Following this review, officers will continue to monitor costs and review the provision of contracts, which may result in further changes.

##### **4.1 Bemrose Community (Service 230)**

Currently, only 14 seats (19%) are allocated from a total capacity of 74 seats. Although only one bus is used on this service, a smaller bus could be utilised; however any cost saving would be marginal. In addition, as the contract has been operating since 2005, it is possible that any replacement service might be more expensive.

As an alternative approach, the service could be withdrawn, with the displaced pupils then either using commercial service buses or, in the case of the five eligible pupils, a free service bus pass or similar alternative means of provision.

##### **4.2 St Benedict Catholic School**

Current loadings on services to the St Benedict school are just over 73%, with 720 seats allocated from a total capacity of 983. Bearing in mind that the pupils are spread over 16 services, many of which are well-used, there is only limited scope for efficiency savings in this case.

## **5. INITIAL IMPACTS FOLLOWING THE INTRODUCTION OF 'ADVANCE CHARGING'**

### **5.1 Loadings on commercial bus services**

Officers have made enquiries of the main providers of commercial service buses in the vicinity of the schools currently served by supported services. Arriva and trentbarton are not aware of any particular recent growth in school children using their commercial services around these schools.

The companies have also provided officers with current B-line data (Appendix C) which supports the above comments.

### **5.2 Changes in cycle usage at schools**

Officers have obtained data (Appendix D) from Cycle Derby, which details comparative levels of cycle parking at each of the four city secondary schools currently served by supported services. It is assumed that the number of parked cycles can be used as a direct measure of the number of pupils using cycles to travel to/from school.

The surveys indicate:

- Significantly increased cycle use (from a relatively low base) at St Benedict (157%) and Derby Moor (46%) schools.
- At Littleover Community School, there was no evidence of cycle usage in September 2007. After the introduction of advance charging, seven parked cycles were noted.
- Cycle usage at Bemrose Community School declined slightly in September 2008 when compared with the previous year, but the sample numbers were not statistically significant.

### **5.3 Reported congestion at schools currently served by supported services**

In the absence of a detailed scheme of regular surveys and observations, it is impossible to provide quantitative data of comparative levels of congestion in the vicinity of the schools affected by advance charging for supported bus services.

Officers noted that they regularly get complaints at the start of each new school year in September from residents around schools of parking problems/congestion - however these tend to ease off during the first term.

This is what has happened this year at Littleover Community School and Derby Moor.

Officers in the Traffic Management section of the Highways and Transportation Division report that at the start of September they had complaints from residents around Littleover Community School and Derby Moor Community Sports College regarding congestion/parking problems - some of which have mentioned the change in school transport as one of the reasons for the increase in traffic congestion. No comments re St Benedict or Bemrose were reported.

## **6. INFORMATION & ADVICE FOR PARENTS & PUPILS LIKELY TO BE AFFECTED BY PROPOSED CHANGES**

Information content & letter formats remain to be agreed.

For more information contact:	Dave Dowbenko 01332 641754 Email: <a href="mailto:dave.dowbenko@derby.gov.uk">dave.dowbenko@derby.gov.uk</a>
-------------------------------	---

## **APPENDICES (relating to Phase 1 Review)**

### **Appendix A**

#### **Annual charges for each household for faith and non-faith pupils travelling on discretionary school bus services**

	<i>No. of primary-age children travelling for each household</i>			
<i>No. of secondary-age children travelling for each household</i>	<i>0</i>	<i>1</i>	<i>2</i>	<i>3 or more</i>
<i>0</i>	<i>£0</i>	<i>£290</i>	<i>£550</i>	<i>£785</i>
<i>1</i>	<i>£350</i>	<i>£610</i>	<i>£850</i>	<i>£850</i>
<i>2</i>	<i>£665</i>	<i>£850</i>	<i>£850</i>	<i>£850</i>
<i>3 or more</i>	<i>£850</i>	<i>£850</i>	<i>£850</i>	<i>£850</i>

## Appendix B

### Table Detailing Loadings (at 23 October 2008)

Summary of Loadings to Date (23/10/08)

Service	School	Max Capacity	FREE (Distance)	FREE (Benefits)	FAREPAYING		Total seats allocated	Seats left (leaving 3 free)
					NEAREST	CHOICE		
230(MS2B)	Bemrose	74	1	4	6	3	14	57
232(MS232)	Derby Moor	74	0	0	2	8	10	61
233(MS233)	Derby Moor	74	0	4	8	0	12	59
235(MS235)	Derby Moor	74	0	1	14	0	15	56
236(MS236)	Derby Moor	74	0	14	6	0	20	51
237(MS237)	Derby Moor	74	0	7	5	3	15	56
	<b>Derby Moor Total</b>	<b>370</b>	<b>0</b>	<b>26</b>	<b>35</b>	<b>11</b>	<b>72</b>	<b>283</b>
275 (MS23-1A)	Littleover	74	2	0	2	4	8	63
276 (MS1B)	Littleover	74	0	0	0	5	5	66
	<b>Littleover Total</b>	<b>148</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>9</b>	<b>13</b>	<b>129</b>
245(MS11A)	St. George	74	12	11	12	18	53	18
246(MS33-1)	St. George	49	1	0	4	3	8	38
	<b>St. George Total</b>	<b>123</b>	<b>13</b>	<b>11</b>	<b>16</b>	<b>21</b>	<b>61</b>	<b>56</b>
401 (MS401)	St. John Fisher	49	1	2	9	3	15	31
212(MS35-1A)	St. Joseph	73	16	0	7	3	26	44
90 (MS34)	St Benedict	49	1	5	5	8	19	27
234 (MS6B)		74	48	5	8	8	69	2
238 (MS7B)		74	39	8	9	11	67	4
240 (MS8B)		74	36	9	6	19	70	1
244 (MS5B)		74	25	6	4	26	61	10
251(MS13-4)		49	29	0	4	1	34	12

253 (MS32)		73	34	0	3	7	44	26
<b>Service</b>	<b>School</b>	<b>Max Capacity</b>	<b>FREE (Distance)</b>	<b>FREE (Benefits)</b>	<b>FAREPAYING</b>		<b>Total seats allocated</b>	<b>Seats left (leaving 3 free)</b>
254 (MS19-1)		53	2	4	8	9	23	27
255 (MS14-2A)		53	37	0	8	1	46	4
257 (MS31-1)		73	8	3	3	14	28	42
258 (MS10B)		74	38	0	11	6	55	16
260 (MS20-2)		24	14	0	0	1	15	6
261 (MS9A)		74	23	7	9	22	61	10
403 (MS21-1)		35	25	0	3	3	31	1
433 (MS36)		73	22	9	7	28	66	4
434 (MS22B)		57	9	1	9	12	31	23
	<b>St Benedict Total</b>	<b>983</b>	<b>390</b>	<b>57</b>	<b>97</b>	<b>176</b>	<b>720</b>	<b>215</b>
	<b>Overall position</b>	<b>1820</b>	<b>423</b>	<b>100</b>	<b>172</b>	<b>226</b>	<b>921</b>	<b>815</b>



## **Appendix C**

### ***B Line Usage Data; Issued in Derby Area***

	<b>September 2007</b>	<b>September 2008</b>
<b>Arriva</b>	<b>84189</b>	<b>72216</b>
<b>trentbarton</b>	<b>26195</b>	<b>27488</b>

## **Appendix D**

### ***Cycle usage figures (from Cycle Derby spot surveys of bikes parked in school bike sheds***

<b>School</b>	<b>Number of cycles September 2007</b>	<b>Number of cycles September 2008</b>
<b>Bemrose Community School</b>	15	12
<b>Derby Moor Community Sports College</b>	39	57
<b>Littleover Community School</b>	0	7
<b>St Benedict Catholic School</b>	7	18

*The survey in September 2008 was performed between 22-25<sup>th</sup> September; the previous survey in 2007 was undertaken between 24-27<sup>th</sup> September.*

## Detailed Timescales for Phase 1 Mainstream Service Changes

School Served	Notification to Existing Operator/s	Confirmation Received from Operators	Notification to Parents	Existing Services Combined from	Financial Savings realisable from	Amount saved per day	Amount saved by 31/3/09*	Annual saving realised (190days)	Notes
<b>1) Littleover Community School</b>	20/11/2008	26/11/2008	26/11/2008	01/12/2008	20/02/2009	£255	£3,351	£48,594	Two existing services combined, then commercial service wef 2 February 2009
<b>2) Derby Moor Community Sports College</b>	09/12/2008	12/12/2008	17/12/2008	05/01/2009	09/03/2009	£510	£8,685	£97,071	Five existing services combined to two, then contracts retendered & new contracts wef 23 February 2009

## Notes

Two services (275 & 276) both currently operated by Harpur's to be combined ASAP. Operator will then run combined service as a commercial service wef 2/2/09

Five services currently serve the school - (235) operated by Hawkes and 232, 233, 236 and 237 by Arriva. Notice to be given to terminate all services & retender for 235 and 236 only. In the interim, operators asked to run only services 235 and 236 until 13/2/09.

\* includes maximum possible deduction for advance charging refunds to the 13 pupils carried on Littleover services (13 x £175 = £2275)