

Decision Report - Officer Decision

Forward Plan Reference: FP/23/04/03

Decision Date – 26 May 2023

Key Decision – Yes



Supply of Leased Minibuses

Executive Member(s): Cllr Mike Rigby, Lead Member for Transport and Digital

Local Member(s) and Division: All

Lead Officer: Mickey Green

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Summary / Background

1. Transporting Somerset currently operates a fleet of 98 vehicles including Cars, People Carriers, Minibuses and Coaches from five depots across Somerset. These vehicles are used to provide a wide range of passenger transport services including Home to School Transport, Special Educational Needs and Disabilities (SEND) Transport, Learning Disabilities Transport, Health & Social Care Transport, Demand Responsive Transport, Community Transport and Public Transport.
2. Transporting Somerset's in-house Minibus fleet is normally replaced on an eight-year cycle, but due to the covid pandemic new vehicle deliveries have been severely impacted (we are still waiting for a number of new vehicles ordered two years ago) and lead times for the purchase of new vehicles even now can be in excess of a year. This is leading to increasing reliability and cost issues as a growing percentage of the current fleet is now over 8 years old.

As part of the Capital Spending Approvals for 2022/23 it was agreed that Transporting Somerset would Lease up to 20 Minibuses in order to replace life expired vehicles, to free up £462,000 of capital funding to support the Council's climate change agenda, allowing this funding to be directed toward Electric Vehicle (EV) charging Infrastructure and to provide some extra capacity in relation to increasing demand for SEND Transport which the external operator market is struggling to provide at the present time.

Recommendations

3. That the Executive Director Climate and Place authorises:
 - a. The award of a contract to a single supplier for the lease of 20 vehicles made up of 12 Minibuses (15 seat) and 8 Low Floor Minibuses (16 seat) for Transporting Somerset's in-house fleet operations for a period of seven years from arrival. As per the recommendations in confidential appendix A.
 - b. Appendix A should be treated as exempt information and to be treated in confidence as it contains information relating to the financial or business affairs of the tenderers and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Reasons for recommendations

4. This recommendation will allow Transporting Somerset to replace life expired vehicles, reduce maintenance costs and provide extra capacity for increased demand. Leasing vehicles rather than purchase allows the freeing up of capital funding to support EV charging infrastructure to aid the Council's ambitions to reduce carbon emissions supporting the purchase of EV vehicles for the Council's general fleet in the future. The increase in the overall fleet by 5 vehicles will aid the council's ability to meet its statutory obligations to provide SEND Transport to those students who qualify with numbers currently rising year on year. It will also allow us to improve the reliability of services as the new vehicles will have less downtime and reduce carbon emissions as whilst these vehicles will be diesel powered (as there are currently no suitable full sized electric vehicles on the market with sufficient range capability), we will be replacing Euro 4/5 diesel engine vehicles with cleaner more efficient Euro 6 engine vehicles.
5. This procurement has been conducted in accordance with the authority's Contract Procedure Rules and Standing Orders. The Procurement Partnership Ltd (TPPL) has completed a tendering exercise on behalf of Commercial Services Kent Limited (CSKL) to establish a Vehicle Rental Framework. Lot 2 of the framework (Hire of Converted accessible and non-accessible minibuses and coaches) allows for the Direct Award of a contract able to meet a buyer's specification and operational requirements. Direct Awards are made based upon which Supplier(s) offer the range of Vehicles required by the buyer at the best price and quality.

6. Appendix A should be treated as exempt information and to be treated in confidence as it contains information relating to the financial or business affairs of the tenderers and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Other options considered

7. Capital Purchase of these vehicles was considered but rejected as there was a need to provide capital funding to source EV charging Infrastructure for the Council's wider fleet and as Transporting Somerset's vehicles generate income from their operations the leasing costs can be covered through revenue (both internal and external), freeing up capital funding. EV vehicles were considered but having now had experience in operating two small electric minibuses it is clear that the current EV technology does not provide sufficient range to use these vehicles efficiently.

Links to Council Plan and Medium-Term Financial Plan

8. This decision is linked to the Council Plan as follows:
 - A Greener, More Sustainable Somerset – supporting the delivery of effective passenger transport services.
 - A Healthy and Caring Somerset – supporting services which are specifically aimed at providing travel opportunities for residents who do not have easy access to transport.
 - A Fairer, Ambitious Somerset – Enabling a service which specifically supports those who have difficulty accessing services.

Financial and Risk Implications

9. Transporting Somerset already operates a mixture of purchased and leased Minibuses within its current fleet. A recent analysis of the costs of leasing vs depreciation costs showed that there was very little difference between these two options. Both leasing and depreciation costs are taken into account when our Finance team review the charging matrix used by our staff to cost both regular contracts and individual trips. We operate our minibuses under the Department for Transport Section 19 Permit scheme. Vehicles operated under this permit scheme are not permitted to operate at a profit but are able to operate under full cost recovery and the charging matrix, which is reviewed and provided to us annually by the Finance Team ensure that we recover our full costs and comply with the Section 19 permit rules. Therefore, the leasing costs will be covered by

the charges we make to both internal and external clients. The proposal was considered by the Financial Challenge Board (FCB) on 24 March and approval was given to proceed.

10. The only risks are associated with not replacing vehicles, which will lead to higher maintenance costs and greater unreliability.

Likelihood	5	Impact	3	Risk Score	15
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Legal Implications

11. Pre-established standard terms and conditions applicable to the framework have been developed and meet requirements.

HR Implications

12. There are no HR implications related to this decision.

Other Implications:

Equalities Implications

13. Many of the vehicles being purchased will be used to provide transport to vulnerable residents, both young and elderly and or residents with disabilities both physical and mental health related. All vehicles will be fitted with boarding aids and all vehicles are capable of carrying a minimum of one wheelchair passenger.

They will be used to provide a variety of local transport services including, Home to School Transport, Special Educational Needs and Disabilities (SEND) Transport, Demand Responsive Transport, Community Transport and Learning Disabilities transport and Health and Social Care Transport across Somerset.

Due Regard implications have been considered. All vehicles will be accessible to passengers with physical disabilities through the provision of aids including ramps or wheelchair lifts with safety equipment (straps/harnesses) to facilitate the safe transport of passengers. In addition to this a Passenger Assistant is provided where required to assist passengers. Drivers and Passenger Assistants

are given the relevant training in the operation and deployment of safety equipment.

An Equalities Impact Assessment is not required for this decision.

Community Safety Implications

14. This proposal will have an overall positive impact on the quality of life and wellbeing for residents, especially those who are vulnerable and have no or restricted access to transport by ensuring the services we deliver are both reliable and the vehicles being used are more environmentally clean and efficient.

Climate Change and Sustainability Implications

15. There will be a small positive impact on climate change as the vehicles being replaced have Euro 4/5 engines which are less clean and efficient than the new vehicles which will have Euro 6 engines.

The operation of Minibuses reduces the requirement for taxis and grouping of passengers is more cost effective.

16. There are no implications for the Local Development Framework.

Health and Safety Implications

17. These new vehicles are replacing similar vehicles already operating within the Fleet. They will be built in line with current construction and use regulations for passenger carrying vehicles and they will be regularly inspected and maintained by the leasing company during their time in the fleet.

Health and Wellbeing Implications

18. There are no significant Health and Wellbeing implications of this decision as the vehicles are replacing similar older vehicles already being used to deliver transport services in the County.

Social Value

19. Contract specific Social Value is an unused Award Criterion for the purposes of the Framework tender. As part of the framework quality assessment all suppliers were asked to confirm their commitments to becoming carbon neutral and the winning supplier has made commitments to becoming Carbon Zero. These commitments can be monitored throughout the contract.

Scrutiny comments / recommendations:

20. The proposed decision has not been considered by a Scrutiny Committee.

Background

21. Please see summary/background section of the report

Background Papers

22. Non-Key Decision taken on 25/07/22 to go out to tender for a contract to lease 15 to 20 minibuses.

Appendices

- Confidential Procurement Report – Appendix A

Report Sign-Off

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	02/05/2023
Communications	Chris Palmer	11/05/2023
Finance & Procurement	Jason Vaughan	11/05/2023
Workforce	Chris Squire	10/05/2023
Asset Management	Oliver Woodhams	10/05/2023
Executive Director / Senior Manager	Mickey Green	02/05/2023
Strategy & Performance	Alyn Jones	03/05/2023
Executive Lead Member	Cllr Mike Rigby	16/05/2023
Consulted:	Councillor Name	

Local Division Members	All	On publication of the decision notification
Opposition Spokesperson	Cllr Diogo Rodrigues	12/05/2023
Scrutiny Chair	Cllr Martin Dimery	03/05/2023