

SPECIAL URGENCY FORM

(The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000) (Regulation 16)

THE LEADER OF THE COUNCIL SEEKS THE APPROVAL OF THE CHAIRMAN OF THE PROSPEROUS OVERVIEW AND SCRUTINY COMMITTEE (OR IF HE OR SHE IS UNWILLING OR UNABLE TO ACT, THE CHAIRMAN OR VICE-CHAIRMAN OF THE COUNTY COUNCIL) FOR A KEY DECISION TO BE TAKEN.

THE LEADER OF THE COUNCIL ALSO SEEKS THE APPROVAL OF THE CHAIRMAN OF THE CORPORATE OVERVIEW AND SCRUTINY COMMITTEE (OR IF HE OR SHE IS UNWILLING OR UNABLE TO ACT, THE CHAIRMAN OR VICE-CHAIRMAN OF THE COUNTY COUNCIL) TO THE DECISION BEING EXEMPT FROM CALL-IN AS DELAY LIKELY TO BE CAUSED BY THE CALL-IN PROCESS WOULD SIGNIFICANTLY RISK THE CONTINUED DELIVERY OF STATUTORY HOME TO SCHOOL TRANSPORT, INCLUDING FOR CHILDREN WITH SPECIAL EDUCATIONAL NEEDS; AND PLACE SME CONTRACTORS AT RISK OF FINANCIAL DISTRESS AND/OR FAILURE.

SUBJECT: Transport Contract Inflation

BACKGROUND:

Nationally the passenger transport industry is facing several challenges at the present time: rising fuel costs, rising wages, driver shortages and rising overhead costs. These financial pressures are impacting on the operation of our home to school transport network and local bus operators in Staffordshire, as providers find themselves unable to sustain their operation at the current contract price, resulting in a high volume of contracts being 'handed back'.

This report asks approval for an exceptional inflation increase in contract prices on certain home to school contracts and local bus contracts in order that the existing contracts are not handed back and our SME contractors can maintain financial stability.

REASONS WHY THE MAKING OF THE DECISION IS URGENT AND CANNOT REASONABLY AWAIT THE NEXT SCHEDULED MEETING OF THE CABINET:

Transport contractors have faced sudden and unexpected increases in operating costs:

- Rapid increase in cost of diesel since beginning of March 2022

- Wage pressures – including rise in National Minimum Wage, Employer’s NI contributions, and increased rates of pay to compete with other service sectors.
- Rising overheads – including costs of maintenance and vehicle parts.

The rate at which contractors are giving notice to end routes due to no longer being financially viable has substantially increased. Recent rises in operating costs could not have reasonably been foreseen by contractors at time of tender. Our contractors are almost all SMEs and have been funding cost increases themselves, placing them under unsustainable financial pressure.

If the decision on this matter were deferred to the next scheduled cabinet meeting, there is a significant risk of disruption to statutory service delivery.

Signed:	John Tradewell	Director for Corporate Services
Signed:	Alan White	Leader of the Council
Signed:	Tina Clements	Chairman of the Prosperous Overview & Scrutiny Committee
Signed:	Colin Greatorex	Chairman of the Corporate Overview & Scrutiny Committee

Date: 9 May 2022

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