

Home to school transport

BEST PRACTICE EXAMPLES FOR CHALLENGING TAXI COSTS

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ADEPT

The Association of Directors of Environment, Economy, Planning & Transport

OVERVIEW

This document brings together practical examples of how local authorities have challenged and addressed taxi costs encountered through procurement and contract management. While taxi pricing is often a visible and emotive issue, it represents only one element of a much wider and more complex system of pressures affecting transport provision.

The intention is not to single out operators or focus narrowly on headline figures, but to support a more balanced, informed and constructive conversation. The examples included highlight approaches to improving transparency, strengthening commissioning and contract management and ensuring value for money, while recognising the need for sustainable, safe and reliable transport services.

By sharing learning and good practice, ADEPT aims to contribute to a more holistic discussion about how local authorities and partners can respond to rising costs across the system and work collaboratively towards long-term, sustainable solutions. This best practice document should be read in conjunction with the ADEPT SEND Transport Toolkit, which can be found here: www.adeptnet.org.uk/documents/adept-send-transport-toolkit

SCOPE

Local authorities across the country were asked the following question:

“What examples do you have of work undertaken to challenge what felt like inflated taxi costs that have come through when you go out to contract?”



CASE STUDIES - BEST PRACTICE EXAMPLES IN LOCAL AUTHORITIES ACROSS ENGLAND

- **Framework style arrangements:** we use frameworks where operators are assigned by vehicle and seat type, with agreed rates reflecting service levels. This improves bid alignment, price certainty and transparency.
- **Benchmarking and scrutiny:** we benchmark rate-per-mile elements against neighbouring authorities, introduce transparent calculations in tender documents and engage providers to challenge anomalies.
- **Procurement and commissioning design:** we focus on influencing costs through procurement design, such as market-set price models (authority sets a rate and tests market willingness) and framework-style arrangements with pre-set rates.
- **Increase competition:** we expand the number of operators on Dynamic Purchasing Systems (DPS) to increase competition and drive down prices.
- **E-auctions:** we use e-auctions, including extending deadlines for last-minute bids, to drive down taxi costs.
- **Audits and re-tendering:** we audit high-cost routes and re-tender where costs exceed market rates.
- **Route optimisation:** we regularly optimise routes to maximise vehicle capacities and reduce costs.
- **Set variation prices:** we introduce guide prices for route variations (e.g., adding/removing children), and re-tender if operators exceed these.
- **Empower commissioners:** we enable commissioners to challenge operators, with contracts team support for tough negotiations.
- **Reverse auctions and judgement:** we use reverse auction platforms and compare similar routes; if prices are inflated, consider not awarding or re-running procurement. Remind operators of anti-competitive rules if needed.
- **In-house competition:** we use an in-house DRT (Demand Responsive Transport) company to create competition where monopolies exist.
- **Contract management team:** we establish a dedicated team for operator engagement, feedback and support, fostering partnership and reducing bureaucracy.
- **Tendering as leverage:** when faced with high costs for adding students, we explain we may need to re-tender routes - this often results in reduced prices.
- **Internal cost benchmarking:** we use our in-house team data to benchmark reasonable costs and challenge operators accordingly.

- **Guide pricing for tenders:** we go to market with a 'guide' price (e.g., 80% of previous spend), which often attracts at least one operator willing to meet or slightly exceed it.
- **Internal fleets:** we operate internal vehicles and employ drivers to mitigate high external costs and benchmark market rates.
- **Variation challenges:** we push back on large price variations for minor changes (e.g., short additional mileage), requiring justification from operators.
- **In-house taxi fleet:** we establish an in-house taxi fleet to save costs and provide a benchmark for external contracts.
- **Price per mile framework:** we implement a DPS where operators bid per mile and are held to that rate for variations, with annual inflation reviews for certainty.
- **Continual review of network:** our particular focus is on solo taxis for both SEND and Mainstream Pupils, where we review the most expensive contracts. Monitor and use contract termination clause to re-tender where needs can be combined mid contract. This sends a message to providers that a contract isn't a given for its full duration.
- **Additional mileage in T&C's:** we have a set rate for additional mileage in our terms and conditions to add pupils and will only negotiate outside that if there is a solid case for doing so. e.g. if we know that if we had to re-tender, we would be paying more to a new provider. We also say we will have to get speculative quotes and look at possible contract termination if they don't agree to the variation which usually gives us the desired outcome.



- **Non termination clause for providers:** where a provider wishes to terminate early, we have the discretion in our contract to say no (regardless of what they say it is usually because they want more money). We assess the reasons (sometimes it is a genuine issue) and if agreed we won't allow them to re-tender for that contract.

- **Use of 'in-house fleet':**

- We provide 150 School/LBS and Social Care services with our own fleet. This serves as a reminder to the market that we do have other options. Although increasingly this isn't always a cheaper option.
- We procured 50 additional 8-seater minibuses (configurable for wheelchairs) to supplement the existing fleet of over 150 larger minibuses. Route optimisation is used to consolidate multiple taxi journeys into fewer in-house minibuses. The first 25 vehicles have already saved over £1.3m (net, full-year effect), with similar savings expected from the next batch.
- Undertaking whole school replanning with a focus on reducing single occupancy taxi journeys.
- Taken control of the transport application process from SEND colleagues. A small, dedicated team now encourages early applications and eligibility testing, giving operations teams more time to plan cost-effective routes and reducing the burden of late transport requests - a longstanding challenge.

Many local authorities are combining a number of these activities as a focused, practical response to challenges.



ADEPT

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ADEPT members develop long term strategies, investment and infrastructure needed to make their places resilient, sustainable, inclusive and prosperous. They drive clean, sustainable growth, delivering the projects that are fundamental to creating more resilient communities, economies and infrastructure. These services include housing, environmental and regulatory services, planning, economic development, culture and highways and transport.

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