



Executive Decision Report

Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken	Full Cabinet Date of decision (i.e. not before): 10 January 2018 Forward Plan reference: 05145/18/A/AB	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
	Cabinet Member for Adult Social Care and Public Health, Cabinet Member for Children, Families and Young People and Cabinet Member for Finance, Property & Corporate Services Date of meeting or formal issue (i.e. not before): 20 December 2017 Date of formal issue: 11 January 2018	 City of Westminster
Report title (decision subject)	BI-BOROUGH RE-PROCUREMENT OF PASSENGER TRANSPORT FOR ELIGIBLE CHILDREN, YOUNG PEOPLE AND VULNERABLE ADULTS	
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Key decision	Yes	
Access to information classification	Open Report	

EXECUTIVE SUMMARY

- 1.1. Following the expiration of the two major Frameworks for transport services, the maximum extension of taxi contracts to 2018 and minibuses to 2019, as well as the disaggregation of Shared Services (and the termination of the Inter Authority Agreement), a re-procurement of Bi-Borough passenger transport is required.
- 1.2. Our ambition is to deliver a Bi-Borough service that absolutely fulfils the statutory requirements to be safe and appropriate, whilst deriving value for money and maintaining the current robust quality standards. By delivering this vision, we want to ensure this procurement builds upon our current service to permit children access to the best opportunities in education and to enable our vulnerable adults to maintain their independence and engagement within the community.
- 1.3. With general high customer satisfaction, and a service well-supported through the Council's Travel Care and Support Team, there is the opportunity to formalise and further develop current quality standards through a revised specification. The new specification will look to contractually enshrine some of the quality enhancements that have been developed over the last 3 years as well as incorporating feedback from extensive consultation where these can be accommodated by Providers or by the Travel Care and Support Team, without driving additional costs.
- 1.4. The outcome will be the establishment of two fully OJEU compliant Passenger Transport Frameworks, one for minibuses and one for taxis, in the name of Westminster City Council that can be accessed via Children's Services and Adult Social Care in both Westminster City Council and the Royal Borough of Kensington and Chelsea. Taxi contracts will be accessed from the taxi framework in the Summer of 2018 and minibus contracts from the minibus framework in the Summer of 2019.
- 1.5. With the agreement of Executive Members, the recommendations within this report will deliver these strategic objectives and, critically, establish the mechanism for the delivery of this statutory service for some of the most vulnerable children and adults in the Royal Borough of Kensington and Chelsea and Westminster City Council.
- 1.6. To help deliver the twin imperatives of continuous quality improvements and responsiveness to stakeholder wishes within existing budgets, the recommendations include that:
 - a) **the new mini-bus contracts run for a period for 5 years, with an option to extend for a further 2 years if in the interests of one or both Councils to do so.** Officers believe that longer term contracts for the minibuses will be beneficial to enabling Providers to recover any additional costs that might arise from continuing to improve the quality of service delivery and travel care for vulnerable children and adults; and, as 5-7 years represents the economic life cycle of minibuses, it will also enable the Providers to recoup investment in new vehicles likely to be needed to meet the enhanced technical requirements of the new Specification.
 - b) **Minibus provision be rationalised into 3 main Lots, two for Children with SEND and one for vulnerable adults.** Officers believe this "Lotting" strategy, along with the longer-term contracts, will also help deliver higher standards of service quality at no additional cost, primarily due to more commercially attractive packages, allowing Provider costs to be spread, and the development of a more proactive strategic relationship between Councils and Provider over a longer contract period.
- 1.7. The accommodation of stakeholder views expressed during a comprehensive consultation exercise are reported in section 5.11 of the report.

2. RECOMMENDATIONS

- 2.1. To implement the commissioning strategy as outlined within this paper and commence an open procedure to establish two Westminster City Council Passenger Transport Frameworks (one for minibuses and one for taxis) via the Procurement and Contract Regulations 2015 (as amended), ensuring fully OJEU compliant Frameworks which can be accessed by both Children's Services and Adult Social Care in both Westminster City Council and the Royal Borough of Kensington and Chelsea.
- 2.2. For Westminster City Council to act as the Buying Authority named on the Frameworks, and to develop a robust inter-authority agreement between Westminster City Council and the Royal Borough of Kensington and Chelsea to enable both Boroughs to use the Frameworks effectively and meet local need.

3. REASONS FOR DECISION

- 3.1. Having extended the current contracts to their maximum term, the withdrawal of London Borough of Hammersmith and Fulham ("LBHF") from shared service arrangements and the desire for the Royal Borough of Kensington and Chelsea ("RBKC") and Westminster City Council ("WCC") to deliver key services on a Bi-Borough basis, plus the legislative requirement to provide the service, all contribute to the requirement to take this decision. Additionally, it provides RBKC and WCC with an opportunity, through more detailed framework specifications, to formalise current quality standards and to incorporate the feedback from consultation.
- 3.2. The West London Alliance (WLA) framework expired in July 2016 and the taxi contracts servicing WCC and RBKC were extended until July 2018 for continuity of service. The remaining contracts were procured through a WCC framework and were extended to their maximum - taxis until July 2018 and minibuses until July 2019. By commencing the full OJEU procurement exercise now, this will permit the maximum mobilisation period, thereby maximising service continuity in time for the start of the service at the beginning of the academic year, September 2018.
- 3.3. LBHF issued notice on the Inter Authority Agreement, giving a notice period of a year, which removed LBHF from shared services for passenger transport as of the 1st September 2017. This means that any shared service re-procurement would be conducted on a Bi-Borough basis between RBKC and WCC which requires the development of a new Inter Authority Agreement between these two Boroughs to enable them both to operate effectively under the two frameworks.
- 3.4. The Local Authority (LA) has a statutory duty to provide home to school transport provisions as per the Education Act 1996. Both Councils have a Travel Assistance Policy which clearly sets out these duties, together with further information via the Local Offer. Further details can be found in the Appendix.
- 3.5. For Adults, the Care Act 2014 stipulates a duty to Council's to meet assessed needs, and while transport isn't a prescribed provision, it may be one way of meeting people's assessed needs and preferences in meeting their personal outcomes towards independence and engagement with the community.

4. BACKGROUND

- 4.1. The previous provision was purchased as part of a shared service arrangement with RBKC, LBHF and WCC. This arrangement provided a cost benefit through shared routes bundled together by end location.
- 4.2. However, these arrangements were disaggregated into LBHF sovereign and Bi-Borough arrangements through a variation of contract costing children's services in WCC circa £314k and RBKC circa £156k (full year effect based on period 6 forecasts).
- 4.3. In November 2016, the Cabinet in RBKC / Cabinet members for Children and Young People and Adult Social Services in WCC approved the commissioning strategy (and the related budgetary implications) to establish a new taxi and minibus framework for children and adults to be in place from June 2018 and agreed to the required contract extensions and direct awards. These contract extensions and direct awards were awarded to Providers by Officers in Legal Services shortly afterwards.
- 4.4. Commissioning has been engaging extensively with stakeholders that includes parents, parent representative groups, young people, schools, the special heads forum, residents, day services, LAC and Leaving Care, Adult Social Care, the Contact Service and the Special Educational Needs (SEN) Service. More specifically:
 - In May 2017, letters with surveys were sent to all 452 parents and carers of children who used the service at the time (300 families in Westminster and 152 families in Kensington and Chelsea)
 - In June 2017, meetings took place with parents' groups Full of Life (RBKC), where 21 parents and carers attended, and Westminster Parents Participation Group (WCC), where 20 parents and carers attended.
 - In June 2017, all schools that receive transport (8 in RBKC and 12 in WCC) were contacted, requesting feedback on the current service with the offer to meet them or their associated parents' forums. Officers attended the Tri-borough Heads meetings as well as Special Heads and Heads of Resource Centre meetings to provide updates, asking for feedback on passenger transport and requesting schools' engagement to co-design the new service.
 - In July 2017, one-to-one meetings took place with the head teachers of College Park School, Queen Elizabeth II School and Queensmill to gain feedback on their view of the service and potential areas for improvement, as approximately 40% of bi-borough transport users attend these three schools.
 - In September 2017, workshops took place with the parents' groups. Three workshops were held over the course of one week, attended by 41 parents in total. Further workshops took place in October at College Park School and at Queen Elizabeth II School.
 - In October 2017, surveys were conducted with school staff who interact with the pupils using the Passenger Transport Service in the morning and the afternoons at school each day. There were 47 responses from school staff.
 - In October 2017, a pupil workshop was run at College Park. The pupils were representatives of the school student council and were elected by their peers.

- In late September and early October, the parents' reference groups were revisited to present them with an early draft of the 'You Said, We Did' which was compiled using their feedback provided at earlier sessions. This demonstrated how the Councils had been able to, where feasible, implement their views and feedback.
- It is planned for representatives from parents' groups Full of Life and Westminster Parents Participation Group, as well as one of the school Heads from College Park School or Queen Elizabeth II School, to be part of the procurement evaluation panel.
- For Adult Social Care, letters and surveys were sent to all 163 existing transport service users. There was a 29% response rate with 48 replies, and overall satisfaction level of 78%. Discussion groups took place with customers and their carers in day centres, and day centre managers and operational staff fed back on what's important for future service design. The key themes were similar to the children's consultation feedback, particularly around better communication regarding changes, staff continuity and quality vehicles.

4.5. It was clear from these meetings and workshops that stakeholders would like to see greater assurance in a number of areas which included:

- Ensuring an understanding of children and adults needs and the specific request for the offer of parents/carers to meet new crews before service commencement;
- Staff being appropriately trained;
- Staff being paid fairly;
- Consistency of crews;
- Sustained communication with parents & carers;
- Suitable and roadworthy vehicles that have air conditioning; and
- Introduction of "Never Events" – clear minimum standards for the delivery of service, particularly in relation to safeguarding.

4.6. Many of these issues are already addressed at an operational level by the work of the Travel Care and Support Team, who provide contract management and logistical support, but there exists the opportunity to standardise this activity and to include these within the framework specifications and contracts, thereby formalising these quality standards and giving the Authorities the mechanism to contractually enforce these standards. The work on the specification will take the opportunity to incorporate this feedback where in most cases these can be accommodated by Providers, without driving additional costs. Work has been undertaken with the Provider market through soft market testing to confirm that this is the case. Further information on how these issues will be addressed is set out in the 'Proposal' section below.

5. PROPOSAL AND ISSUES

Delivering quality through the Travel Care and Support Team

5.1. It is important to recognise the role of the Travel Care and Support Team in maintaining and developing the quality and standards of existing contracts. The Council invests significantly in the team's staffing budget which for the two Boroughs will consist of a Manager, a Team Leader, 4 Travel Care Officers and a Service Development Officer. These staff are key in delivering the following quality elements:

- Developing and implementing a contract management framework with Providers that includes regular reporting from stakeholder and meetings with Providers.

- Robust monitoring and reporting mechanisms.
- Set and review on a termly and quarterly basis Key Performance Indicators (KPIs) with Providers.
- Review and approve proposed routes with Providers to ensure value for money.
- Manage informal and formal complaints to bring about a speedy and satisfactory resolution.
- Communicating delays or changes in provision with schools, day centres, parents and carers.
- Sourcing provision and ensuring appropriate provision of service based upon the needs of individuals.
- The provision of an “help desk” function, providing regular and open communication with schools, day centres, parents and carers.
- Working closely with services (such as the Special Educational Needs Service, Adult Social Care, Day Services, Looked After Children’s Service) to better match assessed need with appropriate transport and staff training.

5.2. The proposed annual Bi-Borough budget (for the ‘to be’ model) for the Travel Care and Support Team is £360k (51% or £183,600 in RBKC and 49% or £176,400 in WCC) which represents significant investment by the Councils to ensure a quality service that is safe, responds to the needs of its users and fulfils its statutory obligations.

5.3. The TCST Bi-Borough budget is split between Children’s Services and Adult Social Care on a 75%:25% basis, based on activity volumes and an understanding of the “critical mass” or minimum levels of resourcing required to deliver a service that operates from 07:30 to 17:00.

5.4. The same approach was taken in determining the cost share between RBKC and WCC. Within Adults, the variation in volumes between the two Boroughs is significant, with four centres in RBKC and just the one in WCC, resulting in 18% of the (25% total) cost being incurred in RBKC and 7% in WCC.

5.5. Within Children’s Services, the variation (33% RBKC:42% WCC – of the 75% total) is less pronounced, this is because, whilst there are significantly more children from WCC being transported, this variation is reduced by the fact that both Boroughs require very similar levels of contract monitoring of operators and schools. For example, it requires very similar levels of resource from the TCST to monitor six buses going into one school as it does for two, so the variation in passenger numbers has little effect; and because operators work across Bi-Borough, there is therefore the same amount of resource required for both Boroughs in terms of contract management.

Delivering quality in response to extensive consultation

5.6. Since the start of the existing contracts in 2013/14, the Council has had to provide additional resources and finances to develop safeguarding training packages for drivers and passenger assistants as well as develop and establish a more robust KPI framework. The Travel Care and Support Team also had to increase its frequency of KPI meetings, its oversight and safeguarding audits to prevent any further incidents and improve services.

5.7. The result of this additional support, resource and oversight by the Council meant that there have been low levels of complaints by parents and carers and Providers are meeting service delivery requirements.

5.8. As part of the consultation, a survey was undertaken of all CHS service users’ parents/carers. 22% (98 of 452) responded and 82% were satisfied with the current service. Similarly, for ASC, there was

a response rate of 29% (48 out of 163) and 78% were satisfied with the current service. Further detail on the breadth of the consultation can be found in paragraph 4.4 above.

- 5.9. In order to ensure that the existing level of performance continues, the Council has the opportunity to include these already established and functioning components into the specification and to standardise various activities within the Travel Care and Support Team.
- 5.10. This re-procurement represents an opportunity to respond to the consultation, building additional minimal-cost requirements into the new specification and apply learning from recent and successful procurements.
- 5.11. Specifically, the following themes were raised as part of the consultation and these can be met by the suggested responses below, through the development of the specification and additional activity by the Travel Care and Support Team:

Theme	Specification / Council response
<p>Greater understanding of service user needs.</p>	<p>The Councils through the Travel Care and Support Team will ensure the completion of Travel Care Plans (TCPs) for all children and adults. These provide a detailed risk assessment of every child or adult who receives transport and are a document that will be shared with the transport Provider onto which the Provider can overlay their own route and vehicle-based risk assessments. To date, these TCPs have only been undertaken for those children who have a greater need as a result of a more profound physical or learning disability, where the risks have been identified to be higher. There is the opportunity to deliver TCPs on a more consistent basis across all children and adults who receive transport thereby responding to the theme expressed by those consulted with. The TCPs will be undertaken, as currently is the case, by the in-house Occupational Therapist in close liaison with parents, carers and schools. For Adults, these will be undertaken by the relevant day centre or care coordinator as is currently the case. As such, this represents a £zero additional cost to the service. Where these TCPs are currently in use, by having this information, it has been identified that this greatly assists Providers to deliver a far more focused and caring service.</p> <p>Through the revised specification, Providers will be asked to complete “Pen Portraits” where parents/carers feel this would add value and are prepared to meet with Providers. A copy of an anonymised Pen Portrait can be found in the Appendix. In summary this is a short, two-page document which can also be used as a standalone document, which gives person-specific information to assist with the safety and comfort of the service user on board the vehicle. Examples of this may be: who it is appropriate for the service user to sit beside, techniques for calming the service user should they become agitated etc. The template for this should be completed (thereby developing further the Travel Care Plan) by the Provider working in consultation with parents, carers, Day Services and schools. It will be a requirement for crews to visit parents & carers before service commencement. Again, experience and feedback on the use of these Pen Portraits on other contracts has been overwhelmingly positive by parents, carers and Providers. Also in many cases the children themselves have enjoyed being involved in their completion, telling the crews what they like to do (and what they don’t) whilst on board</p>
<p>Meeting new crews before service commencement.</p>	<p>Through the establishment of the Pen Portraits (see above) crews will be contractually obliged to make attempts to meet with parents/carers/service users before the commencement of the new service so that relationships can be established with the service users. The Commissioning Team will liaise with schools and day centres to organise drop-in meetings for parents/carers to meet the new Providers and to help facilitate the completion of the Pen Portraits.</p> <p>A detailed communication and mobilisation plan has been prepared which will take parents/carers/service users on the journey to help them understand the potential implications of the change, for new crew details to be communicated to them as soon as is possible and for meetings to be organised with the crews.</p>

	<p>It is the intention that the minibus Lots will be structured around the current route organisation, therefore there is a high likelihood that many drivers and passenger assistants will TUPE transfer from the outgoing to the incoming Provider, thereby minimising the amount of change and reducing the requirement to meet new crews. Should the incumbent Provider win the new Lot contract(s) then this would almost certainly mean that the same crews would continue.</p> <p>In terms of the cost implications by way of the inclusion of this requirement into the specification, it is expected to be minimal as it would only require the attendance of the crew for one hour at the school or day centre.</p>
<p>Consistency of crews</p>	<p>Consistency of crews is “part and parcel” of the current service in reality, but, like the training, there exists the opportunity to set out the requirements in greater clarity within the specification. It is suggested that the specification will state: ‘It is an expectation and requirement that the same member of staff [drivers and travel care assistants] where possible, will be on the bus /taxi to transport the service user to ensure the continuity of relationships with them. Changes are minimised when there is no alternative e.g. sickness, and will comply with all service standards.’ The inclusion of this requirement is not expected to add any additional cost to the contract as it is an expected part of delivery for Providers of this kind of sensitive service. Its inclusion permits the Councils to enforce punitive measures should consistent staff not be provided within reason.</p>
<p>Staff being appropriately trained</p>	<p>Staff are currently appropriately trained to deliver the service, but there exists the opportunity to set out the requirements in greater clarity within the specification. This would take the form of a clear training matrix detailing all the mandatory training required, who this is applicable to, and how it will be delivered. In particular would be the specification of the disability awareness training module within PATS (Module C1) which includes supervising children and young people with learning difficulties, autism, physical disabilities, sensory restrictions and emotional or behavioural difficulties. For Adult Social Care, there will be training requirements for adults with dementia and adults with challenging behaviours, which may be delivered by day centres where possible. The increased liaison with parents/carers/service users (see above) and the completion of the Pen Portrait and Travel Care Plan will also ensure that staff are appropriately trained.</p>
<p>Better communication with parents/carers when change or lateness occurs. Ability to monitor and manage consistent lateness.</p>	<p>It is proposed to respond to this feedback via better / increased use of the TCST’s text messaging system. A focused project will be undertaken by the TCST to ensure all parents/carers (who have one) provide a working mobile number and therefore this represents a way to address this issue at no additional cost. For Adult Social Care, day centres are better placed to communicate directly with customers and carers and work will be undertaken to improve communication channels between the TCST and day centres.</p> <p>As part of the specification, we will not ask for any investment in tracking technology if it is not part of the standard vehicle specification, however there exists the opportunity through the procurement exercise to give a more positive weighting or score to those Providers who do provide this “as standard”. From our soft-market testing, more and more Providers are now using tracking technology as standard and are able to permit Council teams like the TCST access to this real-time information, thereby speeding the response time to queries about the location of the vehicles.</p>
<p>Cleaner buses</p>	<p>We will respond to this by including this as a contractual requirement and establishing a more regular schedule of checks undertaken by the TCST, ensuring, as presently, that vehicle cleanliness will be part of their general remit. Therefore this represents a £nil-cost response to this issue.</p>

Minibuses with air conditioning throughout the vehicle	Market testing has been undertaken with both minibus service Providers and vehicle Providers in respect of the desire for air conditioning to ascertain what the potential additional cost might be of this request. All Providers consider there would be no impact to pricing received for a contract period (5+2 years) as proposed by RBKC and WCC.
Introduction of “Never Events” as part of KPI Framework	<p>There are certain events which should never happen. There is a common understanding by the Councils and current and potential Providers of what these are, but an example would be drivers or PAs working without the appropriate DBS or licencing checks.</p> <p>It is proposed therefore their inclusion into the specification and, if they do occur, appropriate action will be taken in accordance with the relevant Conditions of Contract.</p> <p>Never events represent the basic (minimum) provision for any Council looking to fulfil their statutory duties to provide “safe and appropriate” transport and should not represent an additional cost via their inclusion within the specification.</p>
“Fair pay” to staff	It is proposed that it will be a requirement that staff will be paid more than the minimum wage however pay rates will be at the discretion of the Provider.

Delivering quality through the procurement process

5.12. Within the procurement process ensuring quality is paramount. Each tenderer must achieve a minimum level of acceptability as defined by compliance standards and the Councils will reserve the right to reject without further discussion any Tender which does not meet the compliance standards. These include:

- Their suitability to pursue the professional activity;
- Satisfaction of the Council’s Minimum Standard for Economic and Financial Standing;
- Insurance levels, public liability, employer’s liability, professional liability etc.; and
- Experience and technical capacity.

5.13. The quality evaluation stage which then follows will focus on the following areas:

- Vision and key outcomes
- Communication and Customer Care
- Staff Competence
- Continuity of Care and Relationships
- Service Delivery – Operating Requirements
- Vehicles
- Implementation / mobilisation
- Accident Prevention and Risk Management
- Performance management and quality assurance
- Safeguarding
- Social Value

5.14. Minimum thresholds will be built into the procurement process to ensure that Providers appointed to the frameworks will have demonstrated that they can meet certain minimum standards and to enshrine quality within the overall Provider evaluation.

- 5.15. An additional point to highlight in terms of quality is the approach to Frameworks and strategic minibus Lots. It is proposed that there will be one minibus Framework and Providers will be awarded to this Framework on the basis of their quality submission. These Framework Providers will then be invited to submit bids, by mini-competition, for three significant, strategic minibus Lots: two for children with SEN and one for adults. There will therefore be a maximum of three Providers permitting the opportunity to develop strategic relationships within which best value and consistency of delivery standards can be developed. If standards are not met by one or more of these Providers, the other Framework Providers can be accessed. The creation of a separate taxi Framework will give the Boroughs the required flexibility of service and more clearly defined quality standards through a revised specification. Both minibus and taxi Frameworks will be underpinned by an established KPI framework included within the specification to assure quality standards and efficient contract management.

Delivering quality through conditions of contract

- 5.16. The TCST oversight, contract management and KPI framework will be underpinned by conditions of contract which will clearly set out contractual obligations for the Provider(s).
- 5.17. The conditions of contract will outline that the Councils will reserve the right to carry out checks and audits where considered necessary, to increase the frequency of checks and audits, and to issue default notices, where the Provider has failed to meet significant requirements of the contract set out in the specification. Defaults and remedies will relate to the occurrence of any 'Never Events', which may lead to breach and termination of contracts.
- 5.18. There will be a number of minibus and taxi Providers appointed to the frameworks which the Councils will be able to call off from in the case of any default notices being issued as a result of breaching conditions of contract.

Delivering quality through effective mobilisation and communication

- 5.19. A key lesson that has been learned in improving the quality of services offered to and experienced by parents is to ensure high levels of communication and engagement from the Providers with parents, carers, schools and day services. In this way, implementation proposals are developed jointly with stakeholders, relationships are built, Providers get to know and understand the individual needs of stakeholders who in turn have a voice and are heard.
- 5.20. A robust communication and engagement plan has been developed as part of the project plan for the re-procurement and the mobilisation of the contracts and a copy of this can be found in the Appendix. Key objectives of this include:
- Ensuring Providers work with schools and day services during mobilisation to implement the contract effectively.
 - Ensuring Providers work with schools and day services to ensure high levels of communication and engagement with parents, carers and residents. This would include opportunities at schools or day services where people can meet and get to know the Provider.
 - Clarifying provision of the service and what it means to receive passenger transport.
 - Clarifying roles and responsibilities (i.e. what is expected of parents who receive the service and what is expected of staff providing the service, including the TCST).
 - Communicating relevant and personalised information to parents, carers and residents to ensure they are included in developments and taken on the journey.

Delivering quality through social value

- 5.21. Social value will be an integral part of the delivery of a quality passenger transport service that will have a significant positive impact on the residents of the Boroughs. A section of the evaluation process will focus on social value, asking how Providers will implement and deliver these proposals.
- 5.22. We have taken learning from previous procurements and feel that the following types of proposals can be expected for contracts of this value:
- Providing employment opportunities for residents: All vacancies will be advertised locally, via the local job centre and other local hub organisations.
 - Using maintenance workshops within the Borough.
 - Using vehicles with lower emissions that are ULEZ compliant.
 - Working with Job Centres in the Council to improve employment prospects by offering training and work-related placements.
 - Offering placements and work experience to care leavers who may have an interest in becoming a driver, personal assistant or working in an office environment.
 - Offering volunteering opportunities for young people and residents.
 - Offering Independent Travel Training to pupils and residents in order to promote independent and improve life outcomes.

Focus on cost

- 5.23. For Adult Social Care, there were no previously shared routes with LBHF therefore there are no additional costs relating to disaggregation from shared services. There is scope within existing budgets for a limited increase in cost as part of the reprocurement.
- 5.24. For Children's Services, the 2017/18 budgets for transport in WCC and RBKC are forecast to overspend by £104k and £292k respectively (breakdown below):

Borough	Vehicle Type	Budget 17/18	P6 Forecast	Variance 17/18
RBKC	Mini Bus	£644,193	£791,738	£147,545
	Taxi	£630,957	£775,471	£144,514
	RBKC Total	£1,275,150	£1,567,209	£292,059
WCC	Mini Bus	£1,418,253	£1,469,338	£51,086
	Taxi	£1,474,389	£1,527,497	£53,108
	WCC Total	£2,892,642	£2,996,835	£104,193

- 5.25. Given the above position, where at all possible, careful control has to be applied to this procurement and a focus on maintaining standards and developing the service with minimal cost implications.
- 5.26. It is the view that the proposed specification requirements should not result in an increase in price, but more represent the formalisation of current standards which are the "industry norm". The exceptions to this might have been air conditioning throughout the vehicle, rather than just in the driver compartments or at the front of the vehicle, and the determination of what represents "fair pay", and therefore further work was undertaken in respect of these two areas.

- 5.27. Market testing was undertaken with both minibus service Providers and vehicle Providers in respect of the desire for air conditioning to ascertain what the potential additional cost might be of this request. All Providers advised there would be no impact on pricing over a 5-7 year contract period as proposed by RBKC and WCC.
- 5.28. Regarding “fair pay”, analysis was undertaken with current Providers in WCC and RBKC who stated that they already pay their staff more than the minimum wage and some already meet the London Living Wage. The cost impact of “fair pay” is therefore also estimated to be negligible. Bidders will be evaluated in relation to how they will deliver quality staffing, staff continuity and staff retention to meet the customer care standards required by the specification.
- 5.29. Market testing has also heavily informed that longer, 5 year+, contracts would deliver best value for money for minibus Providers, aligning contract length with best value in vehicle purchasing/leasing options.
- 5.30. Approaching this procurement on a Bi-Borough basis with shared routes would deliver best value for both Councils.
- 5.31. The proposal for the Bi-Borough Frameworks is to apply a 60% weighting on price and 40% weighting on quality. This reflects the need for good quality passenger transport services whilst also recognising the importance of achieving value for money throughout the lifetime of the frameworks to ensure sustainable services for all eligible young people and adults. Given the focus on quality through the procurement process, a robust mobilisation and communication plan, social value, and continued funding of the TCST to effectively manage the contracts, the 60:40 ratio will deliver a safe and appropriate service that maintains current quality standards.
- 5.32. The Lot structure proposed will allow Officers flexibility to ensure that aggregation of services can be achieved to achieve value for money and consistency of service for service users, such as calling off one contract for all minibus requirements for one school or one geographical area. The Lot structure will also allow Officers to call off on an individual route level as required to meet demand.
- 5.33. It is proposed that value for money will be best achieved by ensuring a good numbers of transport suppliers are appointed to the frameworks to encourage competitive pricing.
- 5.34. It is also proposed that taxi services are directly called off according to need to ensure a responsive service. Whereas mini-buses, due to their predictability of demand and higher cost, will be subject to a mini-competition. This process will involve minibus framework Providers being invited to submit a competitive price to win the routes. The price score achieved as part of the mini-competition process will be added to their earlier quality scores. The highest achieving scoring tenderer will be recommended to be awarded the minibus routes.

Market Engagement Feedback

- 5.35. The proposals outlined in this report have been informed by extensive soft market testing and market engagement. A market engagement event took place on 14 November with the aim of sharing the Council’s vision, strategic approach and objectives for delivering the new Bi-borough passenger transport service. It was also an opportunity to test assumptions on the proposed procurement approach and gain feedback.

- 5.36. In attendance were 21 representatives from 11 transport Providers. A total of 20 questions were asked anonymously from Providers, using an interactive audience engagement platform. Providers were also asked to participate in 7 polls.
- 5.37. Feedback included that the majority of minibus Providers would bid for all three Lots and have the capacity to deliver the contract sizes; that the proposed Lot structures were attractive; that longer contract periods gives better value for money and is more commercially viable for Providers; that the cost of climate control will be negligible on long term contracts; and that most Providers already pay their staff minimum wage or London Living Wage and the impact of the requirements of 'fair pay' would also be negligible.

Learning From Previous Procurements

- 5.38. Significant learning has been taken from the procurement process in 2014 and the "lessons learnt" report "Procurement in Kensington & Chelsea" that went to RBKC's Cabinet & Corporate Services Scrutiny Committee in September 2016. The lessons highlighted in these reports have been used to inform the Bi-Borough re-procurement.
- 5.39. Specific lessons include effective mobilisation planning to ensure minimum impact on children, adults and their families and carers during transition; stakeholder engagement and consultation to inform to-be designs, market engagement to generate interest and better understand the available supply and local capacity; communication planning, risk management; and project resourcing to enable the programme to deliver.
- 5.40. Learning was also taken in terms of the prices received by Providers in previous procurements that there would be little difference in the pricing model utilised for minibus pricing, comparing the currently utilised SSE (Single Seat Equivalent) model and the alternative price per mile.

6. OPTIONS AND ANALYSIS

- 6.1. This paper sets out a number of key options, explores their feasibility and sets out the resulting recommendations.

Option: Sovereign Service Provision or Shared Provision between RBKC and WCC

- 6.2. With the egress of LBHF from Shared Services, consideration was given to further disaggregation and establishing sovereign service provision. However, it was quickly established that the benefits of continued Shared Services between RBKC and WCC far outweigh the disadvantages.
- 6.3. Costs are reduced by optimising and sharing routes between the two boroughs. As mentioned in paragraph 4.2, on the basis of the evidence of the disaggregation this year into LBHF sovereign and Bi-Borough arrangements, the cost of Bi-borough disaggregation would be significant.
- 6.4. This was put to the Senior Leadership Team and Councillors in briefings and it was clear that the appetite and direction was to continue the Shared Service arrangement between RBKC and WCC via the establishment of a new Inter Authority Agreement between the two Boroughs.

Option: Lead Borough

- 6.5. Consideration was given as to which Borough would host the frameworks. WCC held the framework for the services that were previously shared between LBHF, RBKC and WCC.

- 6.6. Upon analysing the service usage of Passenger Transport, there are more eligible pupils and vulnerable adults using the service in WCC. Additionally, many of the RBKC pupils attend specialist schools in WCC (QEII and College Park).
- 6.7. It was therefore concluded that WCC would be the lead Borough and that it would act as the buying authority for the Frameworks.

Option: Price Per Mile or Single Seat Equivalent for minibus provision

- 6.8. The Council considered whether to use Single Seat Equivalent or Price Per Mile for its financial structure with the winning minibus Provider. Single Seat Equivalent is essentially where the Council is charged based on the seat occupancy. In other words, if a pupil or vulnerable adult is wheelchair bound, that individual may take up the equivalent space of 2, 3 or potentially 4 seats whilst another, non-wheelchair bound, pupil may only take up the equivalent of one seat. Price Per Mile is essentially where the Council is charged based upon the distance travelled by the vehicle irrespective of the individuals on that vehicle.
- 6.9. The benefit of using Price Per Mile is that the market uses this model on a more regular basis and that they are familiar with how it operates. The major benefit of using Single Seat Equivalent is that costs are broken down by individuals using the service. It forces the market and the Travel Care and Support Team to have detailed information on the occupancy and this means better quality information.
- 6.10. The Council felt it was important to draw upon the lessons from the previous and successful re-procurement in LBHF. To determine the model that represented the most economically advantageous tender, the market was asked to submit two pricing models as part of the tender process: one for Price Per Mile and one for Single Seat Equivalent. The difference in cost between Price Per Mile and Single Seat Equivalent was negligible. The Council therefore decided to use Single Seat Equivalent given that this model offers better quality of data and a real understanding at an individual level of who is using the service. SSE also permits the delivery of a “real” saving every time a child moves off transport having been successfully travel trained or in receipt of a personal transport budget. Under the Price Per Mile basis, major savings are only realised when the entire vehicle is removed from operation.
- 6.11. For Adult Social Care, the financial models of SSE and PPM will translate to unit costs to enable people to purchase transport services with their personal budgets, in line with the ASC personalisation agenda and the outcomes of day services remodelling to enable personalised approaches for people to purchase support to meet their assessed needs.

Option: Should we implement a Dynamic Purchasing System?

- 6.12. A dynamic purchasing system (“DPS”) is a completely electronic system which may be established by a contracting authority to purchase commonly used goods, works or services. It has a limited duration.
- 6.13. The option to establish the use of a DPS was fully explored for use with the taxi framework, understanding the technology available, how the market might respond to such a move and the impacts on the service. It was determined not to progress with a DPS for the following reasons:

Technology

- Whilst the Councils' procurement system CapE is capable of delivering the same outputs as a DPS, this would require focused development – time and cost;
- The Councils do have access to the West London Alliance's DPS which is used for placements; however transport would place different requirements on this system which again would require focused development – time and cost.

The Market

- Given that over 90% of the current taxi provisions in Bi-Borough is provided by 3 Providers, there is a risk that there may be an insufficient number of Providers to create a competitive enough environment to make a DPS effective. If we do not have a sufficient number then the risk is that one ends up paying more for services. Lower prices are only achieved when there are multiple bids and ultimately having only one bidder would mean their first bid sets the price.
- Given our understanding of the market, we do not believe there to be a large “churn” of Providers and therefore not a lot of new entrants who would want to join the DPS throughout its existence and keeping it competitive. The ability for new entrants to join the DPS is one of the major benefits of a DPS – and one which may not really be utilized by the market.
- DPS creates transactional relationships with suppliers, as they bid on price for every service they provide. It is one of the ambitions of this procurement to create more strategic relationships with a small number of Providers, rather than by piecemeal transactions.

The Service

- Effectively DPS creates an open auction and therefore there is always a risk of Providers over-extending themselves with this approach, by submitting unsustainable prices, which would need careful management and potentially a greater review of the quality of service being delivered.
- As previously stated, DPS works best when there are a lot of suppliers. If this were to be the case then this may have implications for contract and performance management resource.
- There will be resource challenges for the service to deal with the continual flow of e-auctions and the evaluation of new suppliers wanting to join the DPS
- It is not realistic for the service to wait several days to provide services while the e-auction is being run.

Option: Number of Minibuses Providers & Minibus Lot Structure

- 6.14. It was discussed how the number of minibus Providers that could influence the delivery of key outcomes for Bi-Borough. Having fewer Providers would create a service that would be easier to manage and to ensure Specification compliance. It would also permit the ability to build close, strategic relationships to tailor, develop and improve the service. It was also noted the advantages when it came to mobilisation of there only being fewer minibus Providers, easing the TUPE transfer process.
- 6.15. The current minibus provision for Children's Services is delivered by 2 main Providers and therefore there is a clear understanding of the size of Lot that one Provider could deliver effectively. Further market testing identified a number of other potential Providers who would be happy to deliver Lots of this size.

- 6.16. Analysis was undertaken of the current provision and it was identified how Lots based on the current, optimised route provision could be established, which would greatly assist in delivering continuity of service and making TUPE transfer more straightforward (from one outgoing Provider to one, rather than multiple, incoming Providers).
- 6.17. Whilst there is a risk of placing “all of one’s eggs in one or two baskets” the establishment of a minibus framework means that other Providers who meet the quality standards of the Boroughs will be on standby should there be a failure or default by the incumbent(s).

7. CONSULTATION

- 7.1. A key lesson that was learned from the previous procurements of Passenger Transport was to engage extensively with stakeholders prior to re-procurement and involve stakeholders in the development of the new service as well as the actual procurement of the new service.
- 7.2. This thinking has been applied to this re-procurement through the development of an engagement plan that has been in effect since May 2017.
- 7.3. A full engagement plan with stakeholders has taken place to obtain feedback on the current service provision and to understand what improvements can be made. There are 3 phases within this engagement plan. In addition to the information below, further detail can be found at paragraphs 4.4 and from 5.6 to 5.11.
- 7.4. Phase 1 consisted of engaging extensively with stakeholders to obtain feedback on the current service provision. We did this via:
- A survey to all parents and carers using the service on current provision and improvements;
 - Engagement with schools, colleges and day services;
 - Presentation and discussion to the parents’ reference group(s) and carers groups;
 - A workshop with young people using the service;
 - Undertake Equalities Impact Assessments; and
 - Publication of a ‘you said we did’ document.
- 7.5. Phase 2 consisted of holding workshops with parents, carers, vulnerable adults, pupils using the service and teachers. We were successful in getting parents, school and adult day service representatives to attend 2 to 3 workshops to co-design the service specification and contribute to the evaluation process. Specifically, we did this via:
- Group sessions at schools with parents and carers;
 - Group sessions at day services for adult service users and carers;
 - Workshops with parents to review requirements and existing specification, review of design principles, required outcomes and specification;
 - Workshops with parents to development draft specification; and
 - During these sessions, we worked through the ‘You Said, We Did’ document and developed thematic questions for evaluation process.
- 7.6. One of the key learning points which arose from a recent procurement concerned stakeholder feedback regarding the service specification. Co-development was a key feature in the

development of the revised specification which ensured that parents and service users were able to actively shape the content of the specification.

- 7.7. Continued high levels of engagement with schools, day services and parents will be part of the mobilisation of the contract and will be Phase 3 of the engagement plan.
- 7.8. Following contract award, sessions to meet key staff (such as drivers and escorts) will take place with a specific letter to parents containing route information. This is planned to coincide with the end of the summer term.
- 7.9. The Travel Care and Support Team will work with new Providers and parents, carers, schools, colleges, day services and social work teams and staff to implement the new service. We will focus on ensuring that parents, carers and service users understand the individual impact arising from the commencement of the new service. Communication will include:
 - Termly newsletter/bulletin to schools, parents, carers and day centres to communicate key messages
 - School and day centre based sessions to introduce new Provider to school, parents, carers and service users
 - Letter to parents, carers and service users with specific route information

Further detail can be found in the Engagement Findings Report in the Appendix for more information as well as the 'You Said, We Did' document demonstrating how the Council included feedback from stakeholders.

8. EQUALITY IMPLICATIONS

- 8.1. Equality Impact Assessments were compiled and approved for RBKC and WCC with the strategy in November 2016. These have been updated for the purposes of the re-procurement and are attached in the Appendix.

9. LEGAL IMPLICATIONS

- 9.1. It is noted that it is proposed for Westminster City Council (WCC) to set up two Framework agreements for the provision of passenger transport services on behalf of WCC and the Royal Borough of Kensington and Chelsea (RBKC).
- 9.2. The procurement of the frameworks should comply with one of the competitive procedures set out in the PCR 2015. In this instance, it is noted that it is proposed to follow the Open procedure.
- 9.3. Framework agreements do not impose contractual obligations on the commissioner (in this case WCC on behalf of itself and RBKC) to use the Provider until there is a "call-off" (order) under the framework. Call-off contracts under the frameworks must be awarded in accordance with the procedure set out in the Framework terms and conditions.
- 9.4. As the two authorities will be jointly procuring these services it is recommended that they enter into an inter-authority agreement to govern the management and operation of the contracts. The inter-authority agreement will cover:

- The procurement process to be undertaken by the two authorities. An IAA would normally restrict the contracting authority's (here WCC) liability to the other authority for any challenges arising from the procurement process on the basis that decision relating to the procurement have been taken jointly;
- General contract management matters between WCC and RBKC (e.g. management by the TCST, financial arrangements for payment of invoices, decision making process between RBKC and WCC);
- Managing defaults by the Provider (including issuing default and termination notices and bringing any claims for damages in the event of breach). The authorities will need to consider how they wish to manage any defaults by the Provider – whether only WCC will be able to issue notices and bring a claim for any defaults (in which case the IAA should cover the mechanism by which RBKC can request/compel WCC to act on its behalf and how the costs of the same are to be borne) or whether there is a provision in the call-off contract which allows RBKC to bring a claim directly against the Provider;
- Liability between the authorities in the event that they do not act in accordance with the IAA/frameworks resulting in the other suffering a loss;
- Dispute resolution between WCC and RBKC; and
- Exit procedures (it is suggested that the IAA will remain in place until the later of expiry of the Frameworks/expiry of the last call-off. It is recommended that there is not an option for one party to unilaterally terminate the IAA whilst both parties are still using the Frameworks/call-off.

9.5. Legal services will work with the client departments to draw up this agreement.

9.6. Implications verified/completed by: Catherine Tempest, Solicitor, Contracts, Shared Legal Service.

10. FINANCIAL AND RESOURCES IMPLICATIONS

Adult Social Care Finance

10.1. For Adult Social Care, the current and future financial implications have been modelled to include year on year inflation projected at 2%. The following table summarises the financial position:

Borough	Vehicle Type	Budget 17/18	Forecast	Variance 17/18
RBKC	Mini Bus	£825,000	£748,320	£76,680
	Taxi	0	0	0
	RBKC Total	£825,000	£748,320	£76,680
WCC	Mini Bus	£110,000	£112,750	2,750
	Taxi	See 10.2	£95,000	0
	WCC Total	£205,000	£208,208	£3,208

10.2. The costs and budget for WCC relate to the minibus for Pullen Day Centre. Costs for ad hoc taxi costs are funded through the overall community packages budget - currently £18.7m. For context, the expenditure in 2016/17 was £95,847 and a similar forecast for 2017/18.

Finance implications for WCC verified by: Michael Taylor Finance Manager 0207 641 1469, mtaylor2@westminster.gov.uk

10.3. The ongoing costs relating to RBKC, over the next 3 years can be met within the existing budget of £825,000. The Council is forecasting to spend less than the approved budget. Finance implications for RBKC verified by: Mark Sone Group Accountant ASC 020 7361 3135, mark.sone@rbkc.gov.uk

Children's Services Finance

10.4. For Children's Services, full details of the current and future financial implications have been calculated using the costing model from the November 2016 strategy. In summary, the financial impact has been modelled to include:

- Children's Services only
- Disaggregation costs for routes previously shared across the shared service arrangement
- Flexibility within the contract to meet an increase or decrease in the size of the eligible cohort
- Year on year inflation projected at 2%

Borough	FY 15/16 CHS Actuals	FY 16/17 CHS Actuals	FY 17/18 CHS Budget	FY 17/18 P6 CHS Forecast	FY 18/19 CHS Forecast	FY 19/20 CHS Forecast
WCC	£2.794m	£2.677m	£2.893m	£2.996m	£3.056m	£3.234m
RBKC	£1.383m	£1.313m	£1.275m	£1.567m	£1.762m	£1.929m

10.5. The forecasts for 18/19 and 19/20 above have been previously approved as part of the PT Strategy from November 2016. For reference, the 17/18 forecast from the same Strategy was £1.713m for RBKC and £2.973m for WCC.

10.6. The 17/18 forecast at period 6 includes a part year effect (7 months) of disaggregation costs.

10.7. Taxi provision goes live in July 2018 and 9 months of the newly re-procured rates are included in the 18/19 forecast.

10.8. Minibus provision goes live in July 2019 and 9 months of the newly re-procured rates are included in the 19/20 forecast.

10.9. It is expected that any improvements in quality will have minimal financial impact.

10.10. Alternative Travel Strategy. An alternative travel strategy has been established which contains two primary alternative travel options: Independent Travel Training (ITT) and Personal Transport Budgets (PTB). This is needed because:

- The current offer of travel assistance for children and young people is limited to the provision of only taxis or minibuses.
- The need to promote independence and ensure our young people are better prepared for adulthood.
- The potential to maximise more cost-effective options through alternative travel and reduce significant expenditure on transport costs.

Work is underway to develop these initiatives though the piloting of the delivery of ITT in one school in WCC and to robustly explore third party delivery options, including how transport

providers might include this as part of delivering social value as part of their contracts. We will then consider additional funding needs.

- 10.11. Financial implications completed by: Poonam Gagda, Finance Manager and verified by Andrew Tagg, Director of Resources, Finance & Resources.








11. IMPLICATIONS FOR PROPERTY

- 11.1. Existing transport Providers currently use depot space at Edenham Way (Ladbroke Grove W10) in RBKC. The space is earmarked for regeneration and redevelopment and will no longer be available for use from May 2018. Commissioning Officers are in discussions with Property colleagues in RBKC and WCC to explore options for whether the Council/s can offer depot space to transport Providers.
- 11.2. Soft market testing has helped inform the procurement in relation to the requirements for depot space. For those Providers interviewed, whilst it was advantageous for the Council to be offering depot space, should this not be the case then this would not be a “deal-breaker”. If depot space was not offered then Providers would procure their own independently.

12. IMPLICATIONS FOR BUSINESS/PROCUREMENT

- 12.1. The procurement of transport provision will ensure vulnerable young people and adults can access statutory provision such as their Schools, their Day Services or resource centres.
- 12.2. The procurement strategy to integrate both Adults Social Care and Children’s Services passenger transport for both Westminster City Council and the Royal Borough of Kensington and Chelsea is well made.
- 12.3. The price weighting at 60% and quality at 40% is consistent with the aim of this procurement to achieve value for money whilst also ensuring a good quality service for all service users.
- 12.4. The Lot structure by vehicle type is likely to give a good level of flexibility to Officers to aggregate routes by school or service to ensure consistency of service for service users and value for money is achieved. It will also allow the Travel Care and Support Team to meet urgent requests for transport on a route by route basis.
- 12.5. One of the objectives in seeking Social Value from the procurement and delivery of the contract is to see whether opportunities exist for prime contractors to involve local SMEs in their supply chain and to see whether, in respect of taxi provision, local supply markets are able to help meet local needs.

13. APPENDICES

	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1	Equalities Impact Assessment RBKC	 20171020 RBKC EqIA Passenger Tran	Commissioning
2	Equalities Impact Assessment WCC	 20171023 WCC EqIA Passenger Transport	Commissioning
3	Engagement Findings Report	 20171130 RBKC WCC Findings Repo	Commissioning
4	Anonymised Pen Portrait	 20171130 Pen portrait.pdf	Commissioning
5	Communications Plan	 20171115 Bi-Borough procure	Commissioning
6	Travel Assistance Policy WCC	 htsta_policy_may_2 017_-_wcc.pdf	Commissioning
7	Travel Assistance Policy RBKC	 htsta_policy_may_2 017_-_rbkc.pdf	Commissioning

14. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1	Strategy paper from November 2016	Etiene Steyn	Commissioning
2	Tendering Road Passenger Transport Contracts, Best Practice Guidance, DfT, October 2013. – published -Report for learning and background	Etiene Steyn	Commissioning
3	IPSEA Report on transport guidance -for learning and background http://www.ipsea.org.uk/file-manager/SENlaw/transport-guidance.pdf	Etiene Steyn	Commissioning

For completion by the **Cabinet Member for Finance, Property & Corporate Services**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: _____

State nature of interest if any

(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled **BI-BOROUGH RE-PROCUREMENT OF PASSENGER TRANSPORT FOR ELIGIBLE CHILDREN, YOUNG PEOPLE AND VULNERABLE ADULTS** and reject any alternative options which are referred to but not recommended.

Signed

Cabinet Member for Finance, Property & Corporate Services

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

.....
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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Head of Legal and Democratic Services, Chief Operating Officer and, if there are resources implications, the Director of Human Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.