

	<p>London Borough of Hammersmith & Fulham</p> <p>CHILDREN AND EDUCATION POLICY AND ACCOUNTABILITY COMMITTEE</p> <p>8 JULY 2014</p>
<p>PASSENGER TRANSPORT SERVICE</p>	
<p>Report of the Tri-borough Executive Director of Children's Services</p>	
<p>Open Report</p>	
<p>Classification - For Review & Comment</p> <p>Key Decision: No</p>	
<p>Wards Affected: All</p>	
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1. EXECUTIVE SUMMARY

1.1. The purpose of this report is to:

- To provide information about the Borough's passenger transport service
- To provide information and update regarding the mobilisation of the contracts and the implementation of the new service
- To report the actions being taken forward
- To provide an overview of the Lessons Learnt thus far.

2. RECOMMENDATIONS

2.1 The Committee is asked to review and comment on the report making any recommendations as appropriate.

3. BACKGROUND AND CONTEXT

- 3.1 The scope of the Tri-borough operations addressed in this report principally comprises the following:
- Passenger transport for Adult Services clients, comprising travel to and from day centres and adult education centres and other locations, along with ad-hoc journeys to activities and appointments
 - Home to school travel for Special Educational Needs (SEN) children
 - General transport for LAC to contact visits, activities and appointments
- 3.2 From 2010, the London Borough of Hammersmith and Fulham (LBHF) had been reviewing and considering the potential options of a fully contracted out service for their passenger transport services for both Children's and Adults Services. The provision of passenger transport in Children's and Adults Services for The Royal Borough of Kensington and Chelsea (RBKC) was previously provided by Crystals. This had been a 7 year contract that was originally due to expire in December 2013. In addition, Westminster City Council (WCC) had contracts for comparable services that were due to expire in August 2013.
- 3.3 The above provided the opportunity to explore the benefits of a Tri-borough approach to the delivery of passenger transport services. It was felt that a combined approach and joint procurement, not only across the 3 boroughs but also across both Children's and Adults services would have a number of potential and quality advantages, including the benefits of cross borough routes, reduced management overheads, greater procurement scale and value for money from contracts compared with the option of each borough acting alone. This would have the potential for greater cost efficiencies and would ensure that affordable travel arrangements can be made available to eligible children and adults in the longer term, at a time when council funding was coming under increasing pressure. A combined passenger transport service for SEN children also fitted very much with the strategy for the overall delivery of SEN services across the 3 boroughs. In addition, each council had different arrangements for the management of their passenger transport services. LBHF ran a managed service; WCC contracted out the management of their existing contract; RBKC had in-house contract management arrangements.
- 3.4 As shown in the tables below, financial analysis undertaken at the time indicated that all 3 boroughs had costs significantly above the average for comparable boroughs providing comparable services. It was therefore anticipated that savings could be made across all service areas whilst delivering the same standard of provision or increased quality where required.

Children's Services Costs per Head

WCC	RBKC	H&F	Outer West London Average	Outer West London 1
£10,704	£7,235	£10,197	£6,970	£5,501
Outer West London 2	Outer West London 3	City Council 1	MB Council	Rural County
£7,462	£9,469	£3,524	£4,704	£5,146

Adults Services Costs per Head:

WCC	RBKC	H&F	Outer West London Average	Outer West London 1
£4,260	£12,695	£5,968	£3,294	£3,496
Outer West London 2	Outer West London 3	City Council 1	MB Council	Rural County
£3,969	£3,365	£2,417	£2,537	£4,008

- 3.5 It was therefore proposed to each of the Cabinet Members for Adult Services and Children's Services across all 3 boroughs that a Tri-borough approach should be taken to procure Tri-borough contracts for transport operations, which would include reaching a formal agreement on the approach, relevant joint policies, service specifications and a transport route rationalisation exercise required to support the procurement exercise. It was identified that this approach would support and extend the current co-operation in place between the boroughs. It was also proposed to generate an identified Tri-borough governance team and governance processes to act as an effective sponsoring and decision making body for the programme in its entirety. It was recognised that timelines for the procurement project would be very demanding given the expiry timescales of current contracts and would require effective governance and management to be successful.
- 3.6 It was therefore agreed via a Cabinet Member Report in September 2012 to progress work on a Tri-borough basis for the collaboration on transport operations and joint procurement of transport management and taxi/bus framework contracts for passenger transport provision, to take effect in phases from August 2013.
- 3.7 Following the above agreement, the Passenger Transport Programme Board was established and officer governance agreed. Consultants were tendered for and appointed (Agilisys) to support work on the business case, target operating model and contract specification.

4. Procurement Process

- 4.1. The procurement was carried out by WCC's Corporate Procurement Team. A competitive procurement exercise commenced on 20 September 2012. We were cognisant of the need to provide a high level of quality and reliability for service users and therefore the procurement process was split into two parts. The tenders were evaluated on the most economically advantageous tender basis. The evaluation criteria contained a number of pass/fail criteria which related to quality so that if a tender did fail any such criteria, it would not have been successful and would not have been considered further. Overall the evaluation criteria was weighted 70% for price and 30% for quality.
- 4.2. The agreement to the recommended operating model and to proceed to invitation to tender was given by Cabinet on 14 January 2013.

- 4.3. The Invitation to tender process was used to set up a framework agreement with suppliers who had demonstrated their capability of meeting our transportation requirements. We called off this Framework as and when required using mini-competitions between the contractors who had been admitted to the Framework Agreement; the call-off contracts were awarded on the basis of price only. The quality of service required was set out in the call off contracts and consequently contractors were and are obliged to provide the services that quality. The price only evaluation therefore was an evaluation of the prices tendered to provide the services to the contractually required quality standard. In order to ensure value for money to the three authorities, the various destinations were organised into bundles and the suppliers priced per bundle of work.
- 4.4. The original procurement proposed three Lots: Lot 1a - Mini Buses; Lot 1b – Taxis; Lot 2 - Transport Management; Lot 3 - Mini Buses, Taxis and Transport Management combined. Following the procurement process, the competitiveness of proposals for Lot 2 and Lot 3 proved not to offer value for money. It was subsequently agreed that an in house Transport Management provision would provide greater control as well as being more economically advantageous.
- 4.5. Agreement to award to the framework for Lot 1A and Lot 1B (mini bus and taxi operators) was given by Cabinet on 22 July 2013. It was also agreed not to award to Lot 3 (award together of Lots 1 and 2) and review the decision with regard to Lot 2 (outsourced transport management).
- 4.6. Healthcare and Transport Services Ltd (HATs), Westway, CT PLUS, Amey and Radio Taxis were included on the Tri-borough Framework Agreement. Minibus requirements were called off for HATs, CT PLUS and Westway. Taxi requirements were called off for HATs and Radio Taxis.
- 4.7. As is common practice, because only 56% of the bundles were let from the Tri-borough Framework, another Framework Agreement was also used to call-off those requirements where the suppliers on the Tri-borough Framework were not inclined to bid for various reasons. This other Framework Agreement had been created by the West London Alliance (WLA) and we added Star Bus, Impact and IHS to our list of Tri-borough suppliers from the WLA framework agreement.
- 4.8. The procurement exercise for the WLA Framework was led by the London Borough of Brent. At the PQQ stage, questions were asked and all relevant details were obtained in respect of the organisations bidding and any directors, partners or any other person who has powers of representation, decision or control. In addition, as part of the process to establish the framework, rigorous checks were also made with regard to the financial standing of the bidders and references were taken up from local authorities and others for whom the companies had undertaken work for. The procurement activity therefore by WCC through Call-Off awards from the WLA Framework focussed on the provision of the service and the suppliers' ability to carry out the services required.

- 4.9. However, in addition to the normal checks carried out at PQQ and ITT stage of the process to award the Framework Agreement, which include substantial financial and safeguarding checks, we carried out a number of additional due diligence actions in respect of those operators appointed to the Tri-borough Framework:
- Sharpe Pritchard, Westminster's contract legal advisers, checked for County Court judgments against the providers;
 - five references were received for each provider (as opposed to the usual three) from existing customers (in HATS' case, these were three local authorities and two hospital trusts);
 - appropriate credit checks were made;
 - Westminster Finance re-checked all finance and credit scores;
 - the availability of licences of all providers were checked with the Vehicle and Operator Services Agency (VOSA), the relevant regulatory body, as were records on public inquiries involving any of the providers.
- 4.10. As a result of our additional research into providers, we established that an inquiry in January 2013 into Olympic South (trading as Healthcare and Transport Services or HATS) conducted by the Traffic Commissioner in his capacity within VOSA, placed restrictions on the size of the operation due to management concerns, specifically the number of vehicles that could be operated (reduced number from 100 to 40 licences).
- 4.11. We commissioned a specialist transport consultancy to advise us and to review an independent audit report by the Freight Transport Association regarding HATS. This was positively reviewed in June and showed significant progress and improvement. In December 2013 the VOSA inspected HATS and re-awarded an additional 30 licences on the basis that it had satisfactorily addressed the issues considered by the inquiry.
- 4.12. We conducted further more recent financial checks on all the selected providers in order to ensure that the suppliers chosen were financially robust and secure. The checks did not identify any reason why we should not enter into contract with these operators.

5. COMMUNICATION AND ENGAGEMENT

- 5.1 Prior to the Tri-borough Passenger Transport project, there had been some earlier consultation in June 2010 with 115 parents and head teachers in LBHF regarding the potential outsourcing of the then in-house service. The views and outcomes from this early consultation helped inform the Tri-borough procurement specifications.
- 5.2 Communications were led by the Programme Board in consultation with and supported by the media team in the 3 boroughs. The importance of communicating with parents, carers and service users was considered by the Programme Board at every stage of the work. At the time, it was considered important to balance the timing of such communications, in terms of having some degree of certainty in the information being provided and not raising anxieties and expectations many months before any changes might happen.

- 5.3 **Children's Services:** meetings took place with several head teachers in July 2013 in order to understand from them the needs of children, parents and schools and to understand what was good and less good regarding transport arrangements at the time.
- 5.4 Direct and specific communication was then undertaken with parents from January 2014 once there was certainty as to contract awards. It was important that parents did not hear of things third hand or that some parents heard of the changes before others. Additionally, information to adult service users, affected in-house staff and existing contractors (and their staff) needed to be co-ordinated and released all at the same time. There were also briefings at this time with head teachers, day centre managers and parent forum representatives.
- 5.5 Communications with parents consisted of written letters and face to face meetings. From January 2014, a dedicated phone line and email address were in place with a team of workers to manage enquires from parents and service users.
- 5.6 The first letter to all parents informing them of changes to home to school transport was sent on 29 January 2014. The second letter was sent on 27 February 2014 informing of the dates for parents' meetings. Parents' groups and Head Teachers also received copies of the communications that were sent.
- 5.7 Open meetings for parents were held in 3 special schools across the boroughs and one at the Isaac Newton Centre. These were held in February and March 2014. The meetings were attended by the Project Manager, the interim Transport Manager and a senior manager of the SEN Service. There were also meetings during the period with the Parents Active at the Masbro Centre and with the Special School Heads Meeting. Information was provided regarding the reasons for the changes in transport provision and what parents could expect going forward. A number of questions and anxieties were raised by parents and both general issues and matters relating to individual children were followed up from the meetings. Parents were understandably anxious to know who their drivers and escorts would be and whether some of these could remain the same.
- 5.8 In conjunction with the planning of the routes (see 6.5), the operators were requested to provide to parents details of the drivers and escorts at least 2 weeks prior to the end of the Easter term. In a number of cases, this information was unfortunately provided to parents far later than the above timescale. There were a number of reasons for this, but principally the impact of prolonged TUPE negotiations between outgoing and incoming contractors and therefore very late confirmation of actual staffing details.
- 5.9 A third letter to parents went out on varying dates between 24 March and 11 April 2014. This letter informed them of their new provider and pick up and drop off times for their children. Included in this letter was a travel profile leaflet explaining the new service and what parents could expect in relation to standards of the new service. Contact details for the new operator and for the Transport Commissioning Team were also included.

6. Planning and Mobilisation

- 6.1. In October 2013, consultants were tendered for and appointed (Edge Consultants) to develop and deliver the plan for the mobilisation of the transport operators and to manage the transition between existing and new provision.
- 6.2. The Programme Board recognised the importance of ensuring information about each child's travel arrangements was used to inform the organisation of new routes, the allocation of suitable transport arrangements and the deployment of staff with skills matched to children's needs. In order to ensure the match of transport with a child's needs in a fair and consistent way, the following stages were undertaken:
- 6.3. Between May – September 2013, the project team collated a list and information regarding all children with a statement of SEN and who had home to school transport from across the 3 boroughs. The information was collated from the SEN service and existing providers. The information included general data e.g. age and contact details; individual child's needs including mobility; current transport arrangements including type and the reasons for this. There was ongoing analysis and updating of data.
- 6.4. Once the above collation was completed, destination bundles were organised in order to Call Off the Framework. This occurred from September 2013 onwards with the contracts then being awarded in January 2014.
- 6.5. Once the contracts had been awarded, the routes could then be planned by the new operators on the basis of the information provided and which met the contractual requirement of no journey being longer than 60 minutes. During March 2014, school staff supported the project team and new operators with the checking of the collated data and students' preferences. A number of anomalies were identified at this stage, including whether children were wheelchair users or required other specialist equipment. It became evident at this stage that collated information was not as accurate as it needed to be, including that which had been provided by existing contractors and that held by the SEN service. In attempts to rectify, operators met with school staff during the last week of the spring term to review the collated information and sense check this in terms of children's needs, groupings and the allocated transport.
- 6.6. The new operators undertook trial runs of the routes to form the basis of their proposed collection and drop off times. Unfortunately these trial runs had to be undertaken without the expert knowledge of the incumbent TUPE staff as they were not made available to the new operators by the existing operators prior to the start of the new service.
- 6.7. As mentioned in 4.4, following the procurement process, it was subsequently agreed that an in house Transport Management provision would provide greater control as well as being more economically advantageous. A dedicated in-house Tri-borough Transport Commissioning Team (TCT) was therefore established prior to the launch of the new service. The main responsibilities of this team are: to process new requests for transport; to provide a single point of contact for any service user needing to notify their

Council of any change of requirement or concern about service delivery; to maintain accurate and up to date data; to exert stringent oversight of the contractors; to monitor their performance; and ensure that required standards are met. This is a new arrangement which, we believe, will be an enhancement to previous arrangements for service users, and ensure that the Councils get better value for money from their contracts. It is the responsibility of the TCT to now hold up to date, accurate and detailed data in respect of both children and adult users of the passenger transport service. The TCT will be the repository where the information about each service users' requirements will be kept. This will mean that in the future should there be any contractual changes any new provider can be better informed of individual requirements.

7. Service Implementation

- 7.1. The new transport arrangements are meeting the daily transport requirements across the 3 boroughs for:
- 720 children with special educational needs
 - Up to 500 children in care, as and when required
 - 280 – 300 vulnerable adults.

The breakdown of the SEN numbers are:

- LBHF - 263
- WCC – 294
- RBKC - 174

The operation is transporting children to and from 122 schools and involves 162 separate routes.

- 7.2. The new transport arrangements went live from 22 April, in line with the start dates of the school summer term, with the service being fully operational by 30 April. It was always expected that the launch of the new service would be challenging and difficult given that providers were being changed across 3 boroughs as well as establishing new route networks across the 3 boroughs.
- 7.3. **Home to School Transport:** during the first 2 weeks of operation, there were a number of operational challenges experienced and we recognise and acknowledge that the mobilisation of the new transport arrangements has been problematic for some parents and children. These difficulties have included: children being picked up late, journeys being longer than they should be and then arriving late at school; the correct equipment not being available for a small number of children e.g. harnesses; concerns from individual parents at the point of pick up regarding the type of transport allocated to their child; change in escort and quality of escorts, particularly in relation to children's medical needs; parents' concern that they were unable to contact operators when there were difficulties.
- 7.4. The above difficulties and concerns arose for a number of reasons. The majority of the contractors had not previously provided a service in this geographical area, and it took some of the drivers some time to become familiar with the routes. Unfortunately, as outlined in 6.5, it had also become apparent that the information held about children and vulnerable adults by social care and special educational needs teams was not complete in some

cases. Much of this information was held by the previous operators who were not very willing to hand it over. Indeed, perhaps understandably, they were generally not very willing to co-operate with either us or the new contractors. The former operators' failure to co-operate also manifested itself in an unwillingness to assist in the TUPE arrangements. This again meant that it was only very late in the day that the contractors knew who would be transferring to work for them. In fact in some cases this only became clear when staff failed to turn up for work.

- 7.5. The TCT and SEN service have worked very closely with schools during the early implementation stage. For the first few days of the new contracts for each school, there were significant concerns reported by them regarding the lateness of buses and particularly how long some of the children were on buses. However after the initial few days of each of the new contracts, the main school bus routes have begun to settle into a more reliable routine, as the drivers have become familiar with the routes. Late running journeys have reduced from the high percentage in the first 2 weeks to less than 5% currently being reported. The 2 continuing particular areas of concern for schools are in relation to the quality and consistency of escorts and drivers and the difficulty for both schools and parents in being able to contact drivers and escorts direct. Schools report that where escorts are becoming consistent, they are becoming more confident in their roles and are developing required skills. Schools have worked in close partnership with the operators and have been instrumental in assisting to achieve improvements, with some schools helpfully providing specialised training to escorts, enhancing the statutory minimum requirements. Some schools have also noted to us that whilst a number of parents had issues with some earlier pick up times and slightly longer journeys, most of them are starting to adapt to the changes.
- 7.6. During these early stages, both the TCT and the operators have attempted to respond to parents and others and resolve concerns as quickly as possible. However, we acknowledge that in the initial weeks, these arrangements did not work well enough. All concerns regarding the type of transport allocated or the needs of specific children have been worked through in conjunction with colleagues from the SEN service in order to ensure robust consistency is applied in respect to authorisation of any changes to provision where required.
- 7.7. Since the publication of the proposed route lists in April, of the 263 LBHF SEN children being transported, several individual transport arrangements have been reviewed with 2 LBHF reviewed cases resulting in a change in transport arrangements. These reviews were carried out either because of parental representation or because the early experiences of the operators which suggested some children were not adapting well to the new arrangements. In addition to the individual reviews, 2 routes have also been split due to the length of the journeys.
- 7.8. A number of issues of concern that have been brought to our attention, relate to changes that have been made in policy replacing what has been custom and practice in relation to the type of travel arrangements provided, rather than the quality of the service. In order to achieve the savings which enable sustainable efficient provision of passenger transport services for the most vulnerable children and adults, transport operators have been commissioned to plan the bus routes and taxi provision in the most efficient way possible.

Some children have, as a consequence experienced a change from taxi to minibus or a change to a different route which involves being picked up at a new and perhaps less convenient time for parents.

- 7.9. The arrangements in place prior to the new Tri-borough passenger transport contracts had developed piecemeal over many years. Consequently, while decisions about children's eligibility were fairly consistent across the 3 boroughs and have not been altered in this process, the commissioning of their travel arrangements was not. Historic custom and practice in this respect, in particular in Westminster, and to a lesser extent in Kensington and Chelsea was such that there was an over-reliance on transportation by taxi and more generally children were added to existing transport, without any strategic review of transport routes. The result of the approach was not only increased costs but also increased congestion outside schools. However, where such changes (taxi transport being replaced by buses) have been made, we have given very careful consideration to any subsequent representations made by parents or schools, if they think their child's needs cannot be met in this way.
- 7.10. Since the beginning of the new service, a total of 87 substantial enquiries / concerns have been received and responded to. These have been in relation to: timings, lateness and length of journey; consistency of escort and driver; lack of communication from operators to parents. There have been no formal complaints received concerning children resident in LBHF regarding home to school transport. 2 Councillor/MP enquiries have been received.
- 7.11. **Looked after children:** the majority of passenger transport requirements for LAC are for single occupancy taxis whilst a small number are transported on buses that attend SEN schools. Passenger transport is arranged for individual children identified by Children's Services across the three councils and includes transport requirements for contact with parents/family as well as respite care. The changes in passenger transport contracts had less impact than those for SEN transport mainly due to the transport type requirements and needs of those being transported. The majority of these service requests do not have a requirement for dedicated escorts or specialist trained staff.

8. Contract Performance

- 8.1. The performance monitoring of the new transport service is designed to cover all aspects of service delivery and is undertaken by the TCT. Information in relation to performance is obtained from a range of sources: performance management of contractors; feedback from parents and service users, schools, parent forums, children's resource centres, day centres; parents questionnaires.
- 8.2. The TCT also captures key performance information from: complaints; call and enquiries; collation of late running journeys; member enquiries; financial expenditure and forecasting; authorisation of new transport requests.
- 8.3. Direct performance management of contractors comprises of 4 main elements: audit visits to contractors' offices; spot checks of staff and vehicles across the full range of operational sites e.g. schools / day centres; quantitative data from contractors; additional formal meetings with contractors as and when required in relation to issues arising.

- 8.4. A clear schedule of information that is covered in all audit visits, spot checks and quantitative data from contractors is in place and covers the whole range of regulatory requirements (outlined in 8.8 and 8.9) relating to staff and vehicles and the service requirements expected.
- 8.5. Questionnaires are being prepared for distribution to parents at the end of the school term to enable them to provide feedback on the service being delivered. It is anticipated that the results are likely to include significant matters of concern relating to the early start of the contract, however it is expected that the results will also show improvement from June onwards. The results will be quantified and further improvement actions taken where required. The exercise will be repeated every 6 months.
- 8.6. Unannounced spot checks have so far been undertaken at 6 schools, with some of the larger ones being prioritised and 6 day centres. 45 of the 162 routes have been audited to date across the various sites.
- 8.7. Meetings have taken place with various schools and day centres to assess the transport performance and ensure clear improvement plans are put in place where required. A number of these meetings have included some of the transport operators. There has also been attendance at relevant Parent Forums to hear first hand of difficulties and again to then ensure clear action plans where required.
- 8.8. **Safeguarding requirements:** In order for any type of driver to be employed, or contracted as self-employed, they have to hold an enhanced CRB/DBS as part of their licensing requirements. No travel contractor can legally operate without this licensing requirement. In addition, MIDAS training for drivers and PATS training for escorts is a mandatory requirement of the contract. These are nationally recognised training requirements, standard for those delivering services for local authorities.
- 8.9. Prior to contract letting and during the mobilisation phase of the contract, operators were required to demonstrate that drivers/escorts that were employed by them met CRB/DBS requirements. Now that the contract has started and TUPE staff have transferred, audits have been completed to verify that the appropriate level of CRB/DBS is in place. Contractors have now provided all details of drivers/escorts with details of expiry and last check dates. In addition to the above, ID badge checks have been undertaken on the 7 spot checks at sites and these have been cross referenced with DBS/CRB list.
- 8.10. In relation to the current performance of contractors to date, this can be broken down into 2 main areas. In relation to the majority of main school runs, these are now beginning to settle into a more reliable routine with late running journeys having reduced from the high percentage in the first 2 weeks to less than 5% currently being reported. This has been greatly assisted with operators beginning to develop a consistent staff group of drivers and escorts who are becoming more confident with the routes and needs of the children. The improvement in journey times was further evidenced from the spot checks which have been undertaken so far at schools. Additionally, in the first week of

the new contracts, there was an average of 125 calls and enquiries per day to the TCT. These are now averaging less than 20 per day.

8.11. We are however working with contractors on a number of important areas which require improvements:

- A number of the contractors are needing to develop an increased level and awareness of customer care with their staff groups.
- There are still difficulties for parents and adult service users in being able to make direct contact with driver or escorts on buses if the need arises. This is being addressed formally with contractors to achieve having acceptable arrangements in place for day to day communication by 7 July 2014. This will also then meet the requirement for drivers or escorts to alert parents direct if for some unavoidable reason, a bus is running late.
- Whilst the percentage of consistency of drivers and escorts is beginning to increase, this requires further improvement and is a requirement of the specification. There have been challenges for the operators so far in developing a stable staff group as they have had to cope with staff being TUPE'd over from previous contractors at a very late stage and so they could not be certain at the beginning of the contracts in April as to which staff they would have from day one.
- Additional specialised training to escorts has helpfully been provided by some schools. We are working with contractors to ensure this is undertaken further by those who require it and also, that demonstrable improvements are able to be observed from the training having been undertaken.
- There is needing to be greater attention to the needs of individual children attending a range of after school provision. Schools are working in close contact with operators to ensure that where information may change on a daily basis; that this is shared with operators as soon as possible so that they are able to ensure that items such as harnesses are appropriately available.
- Individual taxi journeys – both scheduled and ad hoc – are still not running as smoothly as they need to and relevant operators are currently amending booking systems in order to achieve this.
- We have been clear with all operators of the need for them to improve in these significant areas and develop credibility and a positive reputation with service users, commissioners, a range of stakeholders and elected members across all 3 boroughs.

All the above areas are being actively and robustly discussed with operators and the monitoring of their plans to achieve the required improvements within agreed timescales. There has so far been at least one meeting with all 7 operators, with 2 or 3 taking place with some.

9. FINANCIAL SAVINGS-LBHF

Children's Services	LBHF – Total – 14/15
Total Current Cost	£1,193
Total Call off Costs	£866
Total Savings Per borough	£326
% Savings	27%

10. Lessons Learnt

- 10.1. It is evident that following a large and complicated procurement process; a major service re-arrangement; and the mobilisation of a completely new set of passenger transport arrangements moving approximately 1200 vulnerable children and adults every day to well over 100 destinations; that a number of things have gone wrong and there are a range of lessons to be learnt. Further work needs to be done to complete the analysis and complete the set of findings. The scrutiny process should contribute to this exercise. So far the lessons might be summarised as follows:
- 10.2. Further work should have been done at the pre-procurement phase to better understand the market. In the end fewer bidders were attracted to the Tri-borough procurement phase than was expected. This perhaps reflects that it is a particularly difficult operating environment for contractors in Inner West London. The market is a niche with supply mainly coming from small operators, who encounter particular workforce issues. More work might have warmed the market and produced a higher level of interest at the first stage of procurement. If all of the contracts had been let at this stage, more time would have been available to prepare for the mobilisation issues.
- 10.3. Although quite a lot of work was done to involve schools, parents and carers; even more should have been done. We should have involved representatives of the parent and carer groups at the outset. This lesson is being applied in the preparation for the implementation of the Children and Families Act. There was a fair amount of communication with stake holding interest but even so, this should have been increased.
- 10.4. The establishment of the TCT and the support service infrastructure was not executed speedily enough. If this had been done earlier, more work could have been done to check the detail of the individual service user, school and day centre requirements, although the TCT would still have been hampered by the difficulties in eliciting information from the outgoing contractors. An established TCT might have recognised the poor quality of the data held, and set about remedying this deficiency in advance of the mobilisation of the contract.

- 10.5. The difficulty of the operation of the new routes on the first few days was underestimated. Insufficient attention was paid to the inevitable difficulty there would be with drivers and escorts new to the routes, and unfamiliar with the requirements of the service users. If these operating issues had been better anticipated, service users, schools and day centres would have been better prepared for the difficulties that ensued.
- 10.6. More preparatory work should have been done with the new contractors to ensure that their 'customer call' centres and arrangements were fit for purpose from the outset.

11. PROPOSAL AND ISSUES

- 11.1 The Policy and Accountability Committee is invited to review and comment upon the information presented in this report. Further reports including more detailed analysis of particular issues can be provided at future Committee meetings as required.

12. CONSULTATION

- 12.1 As highlighted earlier in the report, consultation and engagement was a key area of the Passenger Transport programme. It continues to be so during the delivery of the new service with regular and ongoing consultation with service users, parents and carers.

13. EQUALITY IMPLICATIONS

- 13.1 Equality impact assessments were undertaken as part of the Passenger Transport programme. Updated data is currently being analysed in order to measure changes and impact post service implementation.

14. LEGAL IMPLICATIONS

- 14.1 Given that this report sets out action the council has taken and will take under the contracts it has awarded, there are no legal implications arising from it.
- 14.2 Implications verified/completed by: Keith Simkins, Principal Solicitor 0207 361 2194

15. FINANCIAL AND RESOURCES IMPLICATIONS

- 15.1 The financial rationale for the tri-borough procurement was to achieve economies both through the increased scale of the procurement and the ability to transfer a larger number of children together on fewer buses. In total, based on December 2013 expenditure levels the level of targeted savings was approximately £2m p.a. with LBHF benefitting by approximately £0.5m shared between Adult Social Care and Children's Services.

15.2 Implications completed by: Dave McNamara, Tri-Borough Director of Finance and Resources Tel: 020 8753 3404

16. RISK MANAGEMENT

16.1 The identification, management and mitigation of the Passenger Transport Procurement risks are the responsibility of the Tri-borough Children's Services Department and relevant managers. The department periodically produces and updates a risk register for the Tri-borough Children's Services Portfolio Team and risks associated with the procurement have been recorded as part of that process. Risks are expressed by a description and are evaluated by their significance. An assessment is made by the Project Board on any additional controls required to sufficiently mitigate risk. An escalation procedure is available to inform Project Boards and Project Sponsors of emerging significant risks. In any procurement, information management and good data quality are essential components that enable a successful implementation to be done. The pre-procurement phase should consider information management, data quality, person and mobilisation risks in all future tendering exercises. This procurement has been a complex process and lessons learned should be applied to improve the risk management of future procurement projects.

16.2 Implications completed by: Michael Sloniowski, Bi-borough Risk Manager ext 2587

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
	None		

LIST OF APPENDICES:

Appendix 1 – Tri-borough Passenger Transport Programme – Chronology

Appendix 2 – Letter from Olivia Meyrick, Executive Head Teacher, Westminster Special Schools

Appendix 1 -Tri-borough Passenger Transport Programme – Chronology

Date	Activity
2010	LBHF begin market testing for potential outsourcing of Passenger Transport Services for adults and children
2010/11	WCC begin process of reviewing model as Enterprise contract ending August 2013
January – June 2012	Consideration of a Tri-borough approach – early iteration of programme. Early iteration of officer governance established.
August 2012	Consultants tendered for and appointed (Agilisys) to prepare business case. Early work on target operating model and tender specification.
September 2012	Officer governance revised. Passenger Transport Programme Board established and run throughout the programme.
September 2012	Agreement to progress work on a Tri-borough basis. LBHF Cabinet Member for Community Care and Cabinet Member for Children's Services RBKC Cabinet Members for Adult Social Care and Cabinet Member for Family and Children's Services WCC Cabinet Member for Children, Young People and Community Protection and Cabinet Member for Adults
	Continued work on specification
September 2012	Notice published in the Official Journal of the European Union. Restricted procurement process.
Nov - Dec 13	Pre-Qualification Questionnaire issued, returned and evaluated.
Dec 12 / Jan 13	Agreement to overall model and to progress to tender. LBHF Cabinet (14 January 2013) RBKC Cabinet (10 January 2013) WCC Cabinet Member for Adult Services and Cabinet Member for Children, Young People and Community Care (19 December 2012)
Jan 2013	Finalisation of tender specification. Invitation to tender (ITT) issued.
Jan – May 2013	ITT returns, clarification and evaluation. Framework due diligence. Further due diligence as a result of concerns highlighted.
May/June 13	Assessment and review of tender outcome and overall business case (Edge Consultants). Briefing and consultation with Cabinet Members.
	Framework call off preparation. Finance and charging / client data / call off modelling / business process modelling and further development of TOM
July 2013	Engagement with Special School Heads
July 2013	Agreement to award to framework for Lot 1A and Lot 1B (mini bus and taxi operators). Agree not to award to Lot 3 (award together of Lots 1 and 2) and review decision with regard to Lot 2 (outsourced transport management) LBHF Cabinet (22 July 2013) RBKC Cabinet (18 July 2013) WCC Cabinet Sub Committee Cabinet Member for Finance and Customer Services, Cabinet Member for Adult Services and Public Health and Cabinet Member for Children, Young People and Community Care (2 July 2013)

August 2013	Lot 1A call off process begun. Development of in house transport management.	
September 13	Call off bids not received for all destinations. Approach reviewed.	
	Viability of WLA Framework assessed.	
September – October 13	Robust clarification of successful call off bids (Bundles 3, 4 and 5) from in house framework. Due diligence undertaken.	
October 13	Consultants (Edge Public Solutions) appointed to mobilise operators.	
November 13	Call offs from own framework (SEN bundles 1 and 2) and WLA Framework (ASC and Community Transport)	
November – December 13	Robust clarification of successful call off bids from WLA framework. Due diligence undertaken.	
12 th – 23 rd Dec 13	Cabinet Member consultations for approval of Lot 1A LBHF Cabinet Member for Community Care (23/12) and Cabinet Member for Children's Services (17/12) RBKC Cabinet Member for Adult Social Care (13/12) and Cabinet Member for Family and Children's Services (12/ 12) WCC Cabinet Member for Finance and Customer Services (17/12), Cabinet Member for Adult Services and Public Health and Cabinet Member for Children (17/12), Young People and Community Care (16/12)	
January 2014	Executive Director approval of award of contract for Lot 1A	
	Briefing for Head Teachers / Day Centre Managers / Parents Forum Reps	
	Full mobilisation of operators begins. Route planning begins.	
29 th January 2014	First letters to parents / carers	
	Communication with day centre clients via centre managers	
	Start of consultation for in house Transport Commissioning Team	
	TUPE consultation starts	
	Letters to existing contractors	
February/March 13	Face to face meetings with parents – Jack Tizard; Cambridge; QEII schools Isaac Newton PDC, Parents Active (LBHF parents' forum).	
	Briefing to Tri-borough Head Teachers. Face to face and ongoing communications with Special Heads and Day Centre Managers	
	Call offs and award of contracts for Lot 1B (taxis)	
24 th March 13	Letter to all parents informing them of their new provider and pickup and drop off times for minibus users.	
	Work with parents to resolve individual transport queries	
April 13	Letter to all parents informing them of their new provider and pickup and drop off times for taxi users.	
10 th April 2013	Executive Director meets and briefs new contractors	
April 2013	Decommissioning of existing contractors completed	
22 nd April 2013	Go Live	

Appendix 2



Executive Headteacher
Olivia Meyrick

Head of School
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Head of School
Jacqueline Brathwaite
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Report on School Transport Provision

Both schools are provided a school transport service by Star Bus. Managers of the company worked with both schools in identifying young people with significant needs in the term before implementation. Schools were supplied with likely bus routes and these routes were discussed with staff prior to the transfer of services.

The first day of service coincided with the TFL tube strike and consequently the routes took much longer than anticipated and some pupils were on the bus for three hours. It also emerged that the information provided by staff in the previous term had not been transmitted to the drivers and escorts and many of them had some difficult and challenging journeys.

Star Bus worked very positively with the schools over the first few weeks and College Park transport settled into a smooth working pattern very quickly. QE2 School however, did take longer, mostly due to the nature of the young people who have enormous difficulties with change, but also because the company did not really understand the level of need some of our young people have. This was particularly around individual cases of severe medical need and the challenges some of our students have in just moving from one environment into another. i.e. leaving the security of school and getting into a taxi or bus, where just the fact that there are other children travelling with them is a difficulty that could prompt an attack on an escort, or an attempt to leave the transport.

To Star Buses credit and the willingness of staff in both settings, I am very happy to report that transport across both schools is now settled and working very well. Whenever there are any concerns our staff ring Star Bus and work together for a solution.

Olivia Meyrick
Executive Headteacher
Westminster Special Schools
20th June 2014