

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Strategic Director of Children’s Services – Jacqui McShannon
Strategic Director of Social Care – Lisa Redfern

Date: 01/07/2022

Subject: Travel Care Minibus Call off Contract Extension

Report author: Joe Gunning, Programme Lead, Children’s Commissioning

SUMMARY

A Call off Contract from Lot 1 of the Travel Care and Support Framework commenced with HCT Group (CT Plus) on the 1st of August 2017, for the provision of minibus home to school and home to day centre transport services. The initial call off period was for five (5) years with the option to extend for a further two (2) years. This paper seeks to enact the extension for the full two-year period to enable continuity of provision and ensure the authority to continues to meet its statutory responsibilities.

RECOMMENDATIONS

The Director Children’s Services and the Strategic Director of Social Care.

1. Approves an extension to the Lot 1 Travel Care Minibus Call off Contract with HCT Group for a period of two (2) years from 01 August 2022 to 31 July 2024 at a total forecasted cost of £4.5m.

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	Employment of local residents on essential frontline services.
Creating a compassionate council	Procuring services that have care at the forefront of delivery for some of the most vulnerable residents in the borough.
Doing things with local residents, not to them	Maintaining high standards of existing contracts following lessons learnt experience from previous procurements.
Being ruthlessly financially efficient	Contracts that are appropriately structured and weighted to meet demand as well as need.
Taking pride in H&F	A high-quality service supporting some

	of our most vulnerable residents to access education and social care provision.
Rising to the challenge of the climate and ecological emergency	The contractors must comply with the requirements specified by Transport for London for the London Emission Zone (LEZ) including any current or future legislative requirements including Ultra Low Emission Zone (ULEZ).

Financial Impact

Children's Services

The Children's Services Travel Care budget for 2021/22 was £4.018m with an outturn position of £4.333m, inclusive of both minibus transport as well as taxi transport services. A growth bid of £0.700m was approved for financial year 2021/22.

The approved budget for 2022/23 is £4.250m and projected to spend £5.034m. This potentially results in £0.784m budget pressure after inflation and £169,000 growth awarded in the 2022/23 MTFs process. This is however a forecast, and the outturn position will depend on actual usage during the 2022/23 financial year.

The Covid-19 pandemic suppressed activity in 2020/21 but this has recovered in 2021/22. The demand led pressure as a result of new cohorts starting September 2021 and forecast for September 2022 result in a significant budget pressure. The spend in this paper relates only to minibus services which is circa 45% of the total Children's Services budget, detailed in the table below.

Forecast	Per annum
Children's Services - Home to School minibus transport	£1,861,933
Children's Services - Short Breaks minibus transport	£41,424
Adult Social Care - Day Centre minibus transport	£357,365
Total	£2,260,722

Implications by: Ozioma Onwochei, Principal Accountant, oziuma.onwochei@lbhf.gov.uk, 08/03/2022

Implications reviewed by: Tony Burton, Head of Finance, tony.burton@lbhf.gov.uk, 09/03/2022

Adult Social Care (ASC)

The annualise estimated costs of this contract renewal for ASC is £357,365. This covers the cost 3 Minibus and 1 reserve vehicle, used to transport residents to / from day services.

The costs of the extension can be met from with the available budget.

The budget and spend is shown below, profiled across the financial years that the expenditure will be incurred.

	2022/23	2023/24	2024/25
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	8 months	12 months	4 months
Budget	£238,243	£357,365	£119,122
Projected cost	£238,243	£357,365	£119,122
Variance	£0	£0	£0

Implications by: David Hore david.hore@lbhf.gov.uk 17/03/2022

Implications verified by: Prakash Daryanani Prakash.daryanani@lbhf.gov.uk, 17/03/2022

Implications verified by: Emily Hill, Director of Finance, 28 March 2022

Legal Implications

The Council has a statutory duty to provide these services under the Education Act 1996 and the Care Act 2014.

The current contract falls within the definition of a “public services contract” for the purposes of the Public Contracts Regulations 2015 (PCR) and therefore any extension needs to fall within one of the cases listed in regulation 72 of the PCR. The provision for an extension of this length was set out in the original contract and this therefore falls within the scope of regulation 72(1)(a) and is therefore permissible.

Under the terms of the Council’s Contract Standing Orders contract extensions for contracts of this value are allowed under CSO 25 if they were allowed for in the original contract and meet the requirements of regulation 72. This proposal meets these requirements and is therefore permitted under the CSOs.

Implications by: John Sharland, Senior solicitor (Contracts and procurement), tel 07979 907148, email john.sharland@lbhf.gov.uk, 02/02/2021

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

Proposals and Analysis of Options

1. In November 2016, Cabinet approved the Procurement Strategy for Travel Care and Support Services. On the 31st of March 2017 the Leader of the Council approved the recommendation to award six providers to the Lot 1 Travel Care and Support Services Minibus Framework. HCT Group were awarded the Call off Contract for the duration of five years with the option to extend this contract for up to a further 24 months.
2. The Call off Contract commenced on the 1st of August 2017 and the initial five-year period is due to end on the 31st of July 2022.

3. Travel Care and Support is a critical service provided to some of the most vulnerable members of our community. The children, young people and adults who receive the service have often complex needs and typically a high level of dependency.
4. The current arrangements see approximately 220 children and young people in Hammersmith & Fulham transported to 20 different schools and colleges both in borough and out of borough. Vulnerable adult residents in Hammersmith and Fulham are also supported by the current transport arrangements to day activities at day centres and other locations.
5. Prior to the contracts being awarded to HCT Group there were continuing concerns about the quality-of-service provision in Hammersmith and Fulham. Following a decision by Members to re-procure routes for Jack Tizard (a school for children and young people with complex needs and disabilities) in Hammersmith and Fulham in December 2015 on a new specification, a new provider (HCT Group) was awarded these routes. This provided an opportunity to test whether a quality focused specification could provide the standard of service required by Members for all travel provision across the Borough.
6. This new specification stipulated greater emphasis on the quality of service and on the individual needs of individuals using travel care and support. The vision was outlined to include the delivery of a high quality, transparent Travel Care and Support Service, which was first and foremost about caring for, and understanding the travel and mobility needs of those accessing the services. The service was co-designed and was continually improved in partnership with service users, parents, carers, stakeholders, and key partners.
7. Following the success of the contract, a full re-procurement for Travel Care and Support Services for eligible children, young people and vulnerable adults was approved which resulted in HCT Group being awarded the current call off contract.
8. Since this time, performance throughout the contract has been positive and no defaults for poor performance have been issued. Benchmarking of spend in Children's has also been undertaken which demonstrates costs are comparable to other Local Authorities operating within a similar contractual and specification context.
9. This paper seeks approval to enact the full two-year extension with HCT Group for the continued provision of minibuss services in H&F for eligible residents.

Options and analysis of options

Option 1 – Approve the two-year extension to the call off contract with HCT Group for minibuss provision. (Recommended)

10. The performance of the provider remains positive, and this option seeks to ensure continuity in provision and quality of services for residents in the borough. This option reduces the likelihood of change for vulnerable residents who are comforted by regularity and consistency in the service.

Option 2 - Undertake an open, competitive tender exercise (Not recommended)

11. The COVID-19 pandemic, fuel crisis and Brexit have put considerable pressure on the market and the landscape remains challenging. Undertaking a competitive tender exercise at this point is not recommended due to the fragility of the market and the significant risk this would pose to the delivery of services including higher unit costs and a lack of sufficient capacity to be able to meet needs.

Reasons for Decision

12. The Local Authority has a statutory duty to provide home to school transport provisions as per the Education Act 1996. The Council has a Travel Assistance Policy which clearly sets out these duties, together with further information via the Local Offer.
13. For Adults, the Care Act 2014 stipulates a duty to Local Authorities to meet assessed needs, and while transport is not prescribed provision, it may be one way of meeting people's assessed needs and preferences relating to their personal outcomes towards independence and engagement with the community.
14. The call off contract which services the minibus provision expires on the 31st of July 2022 with the option to extend for a further two years.

Equality Implications

15. The recommendations in this paper secure continuity of existing provision supporting vulnerable adults, children, young people and their families, therefore there are no negative equality implications for groups with protected characteristics, under the Equality Act 2010, arising from the approval of these proposals.

Risk Management Implications

16. The contract extension has been undertaken to ensure the continuity and standard of the service deliverable to the client continues to be of a high quality to ensure it meets their needs and expectations.
17. Given vulnerability of many of the users and higher duty it places upon the Council it will be important to seek and retain evidence of roadworthiness of vehicles, general compliance with operator H&S requirements, vetting and driver's licence checks for operatives and that adequate insurance is being maintained.

Implications verified by David Hughes, Director of Audit, Fraud, Risk and Insurance, 1 March 2022

Climate and Ecological Emergency Implications

18. The Council is committed to delivering a net zero carbon borough by 2030, including transport used locally, and expects all fleets used within its contracts to be zero carbon before this date. This use of a diesel fleet for this contract is associated with 94.85 tons of CO₂e emissions per year: 1.2% of the organisation's core scopes 1-3 footprint, excluding housing.
19. However, the market for specialist electric minibuses with sufficient seating capacity and access equipment remains underdeveloped at this moment in time. Officers have taken steps to support the climate emergency via maximum age and mileage requirements for vehicles within the service specification. Children's commissioning and climate unit officers will collaborate, and work with partners elsewhere, to explore opportunities to support switching fleets to greener energy sources during the future recommissioning of this service.

Implications verified by Jim Cunningham, Climate Policy & Strategy Lead, 1st March 2022

Local Economy and Social Value

20. It is a requirement that all contracts let by the council with a value above £100,000 provide social value commitments that are additional to the core services required under the contract. In addition, the evaluation of social value should account for a weighting of a minimum of 10% of the overall score.
21. Officers have confirmed that they have met with the contractors and confirmed their commitment to deliver a minimum of 10.7% Social Value in line with the Social Value list of outcomes and measures ("TOMS") and Social Value Policy requirement. Officers will work with the contractors ahead of the contract start date to agree the delivery plan.
22. The highest-value measures committed are jobs for local residents with a focus on those who may be facing systemic barriers to employment including young people not in employment, education or training, neurodiverse residents and mothers returning to work.
23. Performance will be monitored via regular contract monitoring activity and Key Performance Indicators. It is recommended that the supplier works with the council's Social Value Officer to help design and deliver the delivery plan. It is also recommended that commissioners will work with legal to include relevant social value clauses for non-delivery.

Implications verified by: Paul Clarke, Economic Development Officer, 24 May 2022.

Consultation

24. In line with the service vision, the service is focused on understanding the travel and mobility needs of vulnerable children, young people, and adults. Services are continually improved in partnership with Service Users and stakeholders through regular attendance at key forums.

LIST OF APPENDICES

None