

# Executive Decision Report

<b>Decision maker and date of Leadership Team meeting or (in the case of individual Lead Member decisions) the earliest date the decision will be taken</b>	Councillor Will, Lead Member for Families Children and Schools Councillor Addenbrooke, Lead Member for Adult Social Care Date of decision: 5 June 2019 Forward Plan reference: KD05450	 THE ROYAL BOROUGH OF <b>KENSINGTON            AND CHELSEA</b>
	Councillor Acton, Cabinet Member for Family Services and Public Health Issued: 6 June 2019	 <b>City of Westminster</b>
<b>Report title</b>	FRAMEWORK AND CONTRACT AWARD REPORT FOR PASSENGER TRANSPORT MINIBUS SERVICES FOR ELIGIBLE PUPILS AND VULNERABLE ADULTS	
<b>Reporting officer</b>	Annabel Saunders, Assistant Director of Integrated Commissioning	
<b>Key decision</b>	Yes	
<b>Access to information classification</b>	Part A Public Part B Confidential/Exempt <i>Part B of this report is currently exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</i>	

## **1. EXECUTIVE SUMMARY**

- 1.1. In line with the agreed Passenger Transport Procurement Strategy for Taxis and Minibus provision, a procurement exercise has been undertaken for Passenger Transport Minibus Services. This procurement has sought to identify suitable providers to deliver minibus transport for pupils eligible for home to school travel assistance and vulnerable adults travelling to day activities. The service will provide for residents in the Royal Borough of Kensington and Chelsea (RBKC) and Westminster City Council (WCC) (“the Councils”). The current minibus contracts are due to expire in July 2019 having originally commenced in July 2014. This procurement follows the successful procurement and mobilisation of the taxi contracts which commenced in September 2018.
- 1.2. The Procurement Strategy proposed to deliver the twin imperatives of continuous quality improvements and responsiveness to stakeholder and service users’ wishes. The service design has been informed by significant consultation and engagement with a range of stakeholders including parents, parent representative groups, young people accessing the services, adult service users, schools and day centres. Stakeholders wanted greater assurance in a number of areas, specifically; providers having a greater understanding of service users’ needs, the opportunity to meet crews before service commencement, better communication with parents and carers, staff being appropriately trained, staff being paid fairly, greater staff consistency, cleaner buses with air conditioning and the introduction of minimum standards including contractual “Never Events”. Key features of the minibus service are further detailed in the Proposal section.
- 1.3. There have been significant improvements to Passenger Transport services since it was procured in 2014, and this re-procurement represents the opportunity to formalise current quality standards and to incorporate feedback from consultation and engagement with stakeholders.
- 1.4. Since the Procurement Strategy was approved, in order to specify London Living Wage as a requirement to meet RBKC’s recent corporate commitment, Westminster City Council has agreed that RBKC act as the buying authority for the procurement of the minibus contracts. This has the dual objective of providing greater equity between the two authorities as WCC is the buying Authority for the taxi contracts and RBKC is the buying Authority for the minibus contracts.
- 1.5. This report seeks approval to establish a four-year Passenger Transport Minibus Framework for use by both WCC and RBKC from 1 August 2019 which consists of Lot 1 Children’s Minibus Services and Lot 2 Adult’s Minibus Services.
- 1.6. This report also seeks approval to award three Passenger Transport Minibus call off contracts. Two call off contracts relate to Lot 1 Children’s Minibus Services which provide a home to school transport service, and one contract from the Lot 2 Adult’s Minibus Services. The duration of the contracts are five years plus a discretionary contract extension period of up to two years subject to performance and if beneficial to the Councils. This recommended contract period reflects extensive market engagement as well as stakeholder consultation.

- 1.7. The outcome of the procurement is three contract award recommendations with a contract structure designed to enable business continuity to ensure that the Councils' can meet their statutory duties to provide transport to eligible residents. The new service will enable strategic long-term partnerships with the successful providers and the significant contract durations will enable investment in fleets at lower cost; allow providers to develop effective relationships with Schools and Day Services; develop sustained and continuous relationships with parents, carers and service users; and embed factors that contribute to service quality such as recruitment and retention of quality staff.
- 1.8. The procurement included a robust evaluation of Tenderers' quality proposals, with panel members including parent/carer representatives from each Borough, a Special School Head Teacher and an adults' Day Centre Manager. Successful providers have demonstrated their ability to deliver a quality service capable of duty of care centred around the needs of individuals. The successful Tenderer's have committed to robust staff training requirements with competent and compassionate staff who are paid at least London Living Wage to encourage continuity and retention. The minibus service will be delivered in a range of wheelchair accessible and non-accessible vehicles up to 16 seaters which are air conditioned and with appropriate on-board equipment to maximise the safety and comfort of service users, as well comply with environmental standards.
- 1.9. HATS Group Ltd is the winning tenderer for Children's Contract 1A and will provide minibus transport for 155 pupils travelling to 10 school / college destinations at an indicative total annual cost of £1.176m across both Councils. This translates to an indicative spend of £532,258 for 61 pupils in RBKC and £643,730 for 94 pupils in WCC.
- 1.10. CT Plus Community Interest Company is the winning tenderer for Children's Contract 1B and will provide minibus transport for 154 pupils travelling to 7 school / college destinations at an indicative total annual cost of £1.908m across both Councils. This translates to an indicative spend of £458,814 for 35 pupils in RBKC and £1,449,752 for 119 pupils in WCC.
- 1.11. For Adult Social Care, minibus provision has been rationalised into one contract, providing daily transport to 106 vulnerable adults travelling to 5 day centre destinations. The winning tenderer is CT Plus Community Interest Company with an indicative total annual cost of £683,806 across both Councils. This translates to an indicative spend of £532,151 for 76 adults in RBKC and £151,655 for 30 adults in WCC.
- 1.12. For Children's Services and Adult Social Care, Passenger Transport is a demand-led service where the number of Service Users may go up or down. The new contracts have been procured with a flexible pricing model, Single Seat Equivalent (SSE) where the Councils will only pay for the seats used, and this will allow for the spend to increase or decrease in line with requirements. For Children's Services there is a programme of Alternative Travel to ensure that pupils eligible for travel assistance also have the option for independent travel training or Personal Transport Budgets and for Adult Social Care, the new model is flexible to the agenda for personalisation.

- 1.13. Financial implications for RBKC and WCC for Children's Services and Adult Social Care is set out in Section 12, and detailed analysis of the procurement results and outcome is set out in the confidential and exempt Part B of this report as it contains commercially sensitive information relating to the financial affairs of the tendering organisations.
- 1.14. The Adults Contract will commence in August 2019 and the Children's Contracts will commence in September 2019 at the start of the new school year. A detailed mobilisation strategy is in place to ensure the service transitions as smoothly as possible.

## **2. RECOMMENDATIONS**

### ***Royal Borough of Kensington and Chelsea***

- 2.1. It is recommended that the Leadership Team approve the following recommendations:
  - a) The establishment of a Passenger Transport Minibus Framework and the appointment of CT Plus Community Interest Company and HATS Group Ltd to both Children's Lot 1 and Adult's Lot 2 of the Passenger Transport Minibus Framework for the duration of the four-year framework.
  - b) That the Royal Borough of Kensington and Chelsea (RBKC) will act as the Framework Contracting Authority and also act as the Contracting Authority for the three call-off contracts, which includes Children's Contract 1A, Children's Contract 1B and Adult's Contract 2A.
  - c) The award of Children's Contract 1A to HATS Group Ltd for the delivery of Passenger Transport Minibus Services for children and young people for the duration of five years with discretion to extend for up to a further two years. The indicative total annual contract value based on current service activity is £1,175,988, of which the cost to RBKC is £532,258.
  - d) The award of Children's Contract 1B to CT Plus Community Interest Company for the delivery of Passenger Transport Minibus Services for children and young people for the duration of five years with discretion to extend for a up to further two years. The indicative total annual contract value based on current service activity is £1,908,566, of which the cost to RBKC is £458,814.
  - e) The award of Adults Contract 2A to CT Plus Community Interest Company for the delivery of Passenger Transport Minibus Services for vulnerable adults for the duration of five years with and the discretion to extend for up to a further two years. The indicative total annual contract value based on current service activity is £683,806, of which the cost to RBKC is £532,151.
  - f) Approve a lifetime framework value of £35m, which includes estimated spend relating to all called-off contracts and accommodates variability in demand and inflation over a seven year period.
  - g) In order to aid efficient future decision-making, given the possibility of fluctuating demand, to approve the delegation to the Assistant Director of Integrated Commissioning to review and approve all minor contract variations (up to 10% of the contract value) to ensure compliant

modification, whilst also ensuring there is no disruption of service to vulnerable service users requiring transport.

- h) The entry into an Inter-Authority Agreement with Westminster City Council (WCC) to document the relationship between RBKC and WCC with regards to the Framework and Call-off Contracts.

***Westminster City Council***

2.2. It is recommended that the Cabinet Member for Family Services and Public Health approve the following recommendations:

- a) That Appendix B is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- b) That Westminster City Council (WCC) enter into an Inter-Authority Agreement with the Royal Borough of Kensington and Chelsea (RBKC) which will be used to document the relationship between WCC and RBKC in relation to the Framework and Call-off Contracts.
- c) That the Royal Borough of Kensington and Chelsea (RBKC) acts as the Framework Contracting Authority and also acts as the Contracting Authority for the three call-off contracts, which includes the Children's Contract 1A, Children's Contract 1B and Adults Contract 2A which Westminster City Council (WCC) will access via an Inter-Authority Agreement.
- d) For WCC to approve RBKC to award Children's Contract 1A, Children's Contract 1B and Adult's Contract 2A for Passenger Transport Minibus Services on behalf of WCC and RBKC, as governed by the Inter-Authority Agreement.
- e) To access via the Inter-Authority Agreement, Children's Contract 1A awarded by RBKC to HATS Group Limited for the delivery of Passenger Transport Minibus Services for children and young people for the duration of five years with discretion to extend for up to a further two years. The indicative total annual contract value based on current service activity is £1,175,998 of which the cost to WCC is £643,730.
- f) To access via the inter-authority agreement the Lot 1, Children's Contract 1B to be awarded to by RBKC to CT Plus Community Interest Company for the delivery of Passenger Transport Minibus Services for children and young people for the duration of five years with discretion to extend for up to a further two years. The indicative total annual contract value based on current service activity is £1,908,566 of which the cost to WCC is £1,449,752.
- g) To access via the inter-authority agreement the Adults Contract 2A to be awarded by RBKC to CT Plus Community Interest Company for the delivery of Passenger Transport Minibus Services for vulnerable adults for the duration of five years with the discretion to extend for up to a

further two years. The indicative total annual contract value based on current service activity is £683,806, of which the cost to WCC is £151,655.

- h) Approve a lifetime framework value of £35m, which includes estimated spend relating to all called-off contracts and accommodates variability in demand and inflation over a seven year period.
- i) In order to aid efficient future decision-making, given the possibility of fluctuating demand, to approve the delegation to the Assistant Director of Integrated Commissioning to review and approve all minor contract variations (up to 10% of the contract value) to ensure compliant modification, whilst also ensuring there is no disruption of service to vulnerable service users requiring transport.

### **3. REASONS FOR DECISION**

- 3.1. The current contracts for Passenger Transport Minibus Services are due to expire in July 2019. A procurement exercise has been undertaken to identify suitable providers to deliver a new service for vulnerable adults travelling to day activities from August 2019 and eligible pupils travelling from home to school from September 2019.
- 3.2. Local Authorities have a statutory duty to provide travel assistance for children and young people with special educational needs assessed as eligible, as per the Education Act 1996. Both Councils' Travel Assistance Policies which clearly sets out these duties.
- 3.3. For adults, the Care Act 2014 stipulates a duty to Local Authorities to meet assessed needs, and while transport is not a 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.
- 3.4. The service will provide transport for eligible residents in the Royal Borough of Kensington and Chelsea and Westminster City Council, and an Inter-Authority Agreement between the two Councils will enable them both to operate effectively under the Framework.

### **4. BACKGROUND**

- 4.1. In January 2018, the Procurement Strategy for Passenger Transport was agreed by Cabinet Members in WCC and the Leadership team in RBKC following extensive consultation and co-design with pupils, parents, carers, Schools, Day Services and stakeholders. The taxi contracts were awarded in July 2018 and were successfully mobilised for the service to commence from September 2018.
- 4.2. In August 2018, one of two minibus providers for Children's transport unexpectedly went into administration and an emergency tender process was undertaken to award an interim contract for 12 months and this contract will also expire on 31 July 2019. Lessons learned have been applied and for the new contracts, providers have passed a rigorous financial and economic

standing assessment and the contracts include financial distress clauses to enable the Councils to regularly monitor provider's financial stability.

- 4.3. The procurement for minibus contracts took place from February 2019 to April 2019 and the new service will go live for Adult Social Care in 01 August 2019 and Children's Service from early September 2019.
- 4.4. The new minibus transport service will deliver and continually improve on the following outcomes:
  - All Service Users are picked up on time, arrive at their destination on time, and are taken home on time
  - Children and young people arrive at school ready to learn, giving them the best start to their school day
  - Vulnerable adults maintain their independence as long as possible to enhance their quality of life and reduce social isolation and loneliness
  - All Service Users spend the minimum necessary amount of time being transported
  - All Service Users are safe, protected and their needs are met
  - All Service Users are treated with dignity and respect at all times throughout their journeys
- 4.5. The children and young people accessing minibus transport have Special Educational Needs and Disabilities (SEND) and have been assessed by the SEND Service as eligible for travel assistance in the form of transport.
- 4.6. In addition to commissioned transport provision, a programme of Alternative Travel has been put in place and aims to promote children and young people's outcomes towards independence. It is recognised that alternative travel solutions will not be appropriate to all children and young people due to the complexity of their needs. Nevertheless, the promotion of alternative travel solutions, particularly through well-delivered and supported approaches, can offer significant benefits for children and young people in terms of improving their independence and developing their broader independent living skills. These benefits have a lasting impact and have the potential to extend into adulthood.
- 4.7. Vulnerable adults are assessed for transport to and from day activities as part of their social care package, aimed to enhance their quality of life, maintain independence as long as possible and increase engagement with the community to reduce social isolation and loneliness. For Adult Social Care, the outcomes for vulnerable adults are person centred and based on promoting the person's wellbeing, including the person's needs, goals and wishes. The focus will be on supporting people to live as independently as possible for as long as possible. The aim is to prevent, delay and reduce the need for care and support. People can access information and advice to take control of and make well-informed choices about their care and support and how they fund it.
- 4.8. A key consideration in planning the shape of future transport services is patterns and needs of the Day Centres that it serves. Reviews of services for older people and people with learning disabilities will be carried out, and, depending on the outcomes, raises the possibility of a different pattern of provision going forward. The Passenger Transport Minibus service has been

designed to be flexible to volume and route changes to ensure that the model is adaptable to the implementation of the Personalisation agenda and the use of personal budgets and direct payments.

4.9. To enable the outcomes and vision for children and young people and vulnerable adults to be realised, within the context of both Councils' financial pressures, the Passenger Transport procurement strategy set out the strategic objectives for the minibus contracts. These included:

- Shared framework for Children's Services and Adult Social Care
- Minibus provision rationalised into three main contracts, two for Children's Services and one for Adult Social Care
- Strategic long term partnerships with minibus providers to develop a consistent service that is value for money
- Significant contract durations of five years plus option to extend for a further two years to enable investment in fleets, and factors that contribute to service quality such as recruitment and retention of staff
- Bi-borough shared routes and management with economies of scale and route optimisation
- Co-designed specification explicitly detailing service requirements
- A clear and transparent pricing schedule that delivers the most cost effective service
- Continued oversight and contract management by the Travel Care and Support Team
- A robust KPI framework and 'Never Events' relating to minimum standards

4.10. The procurement strategy was based on extensive consultation and engagement with stakeholders including parents, parent representative groups, young people, adult service users, schools, day centres as well as internal Council services such as the Special Educational Needs, Adult Social Care and Safeguarding teams.

4.11. Using the feedback from the consultation and engagement programme, Officers analysed the feasibility of the ideas for improving the service, considering what stakeholders wanted and what the Councils could achieve. Officers returned to stakeholders to outline proposals in a "You Said, We Did" document which allowed stakeholders to see how their feedback and ideas could shape the service.

4.12. Feedback was also obtained from potential minibus providers, with a market engagement event held on the 5<sup>th</sup> November 2018 which was well attended with over 20 representatives. The aim of the event was to share the Council's vision for Passenger Transport minibus services, to test assumptions on the proposed approach. Providers were engaged with to discuss how specific quality enhancements could be built in to the contracts with minimal cost implications over the proposed seven year contract term.

## **5. PROPOSAL: Key features of Passenger Transport Minibus Services**

5.1. The re-procurement of Passenger Transport Minibus Services represents an opportunity to respond to the themes raised during the consultation. Views of stakeholders have shaped the final specification, and improvements will feature in the new service. Many of the issues raised during the consultation have

already been addressed at an operational level by the work of the Councils' Travel Care and Support Team, and the new service will standardise this activity by including the service enhancements in the specification and contracts thereby giving the Councils the formal mechanisms to contractually enforce them with providers.

- 5.2. These themes have formed both Councils' vision for this service and have been developed, shaped and built into this specification. The Council's value of putting communities first will continue throughout the delivery of this service through an ongoing process of engagement and collaboration with stakeholders. This section sets out key features of the new minibus service.

### ***Duty of Care***

- 5.3. The key requirement of the new minibus service is to provide a duty of care towards the residents accessing the service by ensuring that transport is safe, secure, consistent, suitable, reliable and communicative. Providers will deliver a service that is centred around duty of care, by understanding and meeting the needs of service users, and ensuring they are treated with compassion and respect.
- 5.4. Providers will work with the Travel Care and Support Team (TCST), schools and day centres to understand the individual needs of service users, through analysis of each individual's Travel Care Plan and pen portrait, as well as a frequent review of needs to ensure requirements are reflected in the way in which the service is delivered.
- 5.5. The minibus service includes 'Never Events' which are a list of clear minimum standards, particularly in relation to safety and safeguarding of children and adults. Never Events have been included in the specification and contract. Contractual mechanisms have been put in place to enable the Councils to issue default notices and terminate contracts if Never Events occur.

### ***Implementation and Mobilisation***

- 5.6. Based on lessons learned from previous procurements, effective implementation and mobilisation of the new contracts are essential to the success of the new minibus service, to ensure a smooth transition for Service Users and their families and minimise the impact of change. Key activities include the requirement for stakeholder communications including the successful providers making initial contact and building relationships with Service Users, partners, schools, day services and the Council. Implementation and mobilisation activity will include practice runs of routes to ensure timeliness of journeys; the option for parents and service users to meet with staff before the commencement of the service; and ongoing communication and updates in the lead up to service going live.
- 5.7. Following approval of the contract award, the TCST will work closely with providers to mobilise the new services and ensure all service requirements will be delivered successfully, with regular meetings for assurance that all activities are on track. To make the best use of resources, the Adults contract will be mobilised a month earlier in August 2019 to enable a phased transition.

- 5.8. For Children's Services, the new minibus service will go live at the start of the new School year in September 2019. Mobilisation activity will take place during July 2019 before parents, schools and stakeholders break up for the Summer holidays. It is worth noting that two children's contracts have been awarded to the two incumbent providers, thereby enabling continuity of existing relationships between staff and service users and minimising potential disruption.

### ***Operational Requirements***

- 5.9. The Councils' in-house Travel Care and Support Team (TSCT) are responsible for day to day management of the transport services. The team is key in delivering a 'help desk' function for schools, day centres, parents, carers and providers, to communicate updates, delays, any changes in journeys, and is best placed to communicate to all parties in the event of any emergency.
- 5.10. Minibus providers will ensure there is a consistent point of contact for day to day execution of the service and ensure provision of tracking technology to communicate and relay real-time information to the TCST who will ensure all parties are kept up to date. Providers are also required to ensure, monitor and regularly report on timeliness of pick-up and drop-off times, with Service Users spending no longer than 60 minutes on transport unless agreed by the TCST for long distance out of borough destinations.

### ***Staff Recruitment, Employment and Continuity***

- 5.11. Key to the success of the minibus service is the recruitment, employment and retention of qualified and quality staff, as the development and consistency of relationships has been identified as an important element of successful service delivery.
- 5.12. The Service Specifications set out detailed and robust recruitment standards to assess their abilities to deliver the service, and this includes Safer Recruitment and enhanced DBS checks to ensure safeguarding of vulnerable children and adults is the first priority.
- 5.13. Successful providers have demonstrated a clear understanding that the focus of this service is meeting a duty of care and support to vulnerable service users, and not solely the provision of transport. Given that staff are the key element of the service, providers were required to remunerate staff appropriately to ensure they were qualified and capable of delivering the enhanced quality requirements, and all providers will be paying staff at least London Living Wage. In addition, providers have staff support packages and retention strategies to contribute to continuity of staff and key relationships on routes.

### ***Staff Training***

- 5.14. Given the complexity of needs for Service Users eligible for transport services, it is an essential requirement for staff to be suitably trained and qualified to ensure the safety of service users and provide the appropriate care. The Council has set out a training matrix of mandatory and essential training requirements before staff commence their duties for the service. Mandatory training requirements include safeguarding; accredited Minibus Driver

Awareness Scheme (MiDAS) and Passenger Assistant Training Scheme (PATS) which include modules on disability awareness, securing passengers and restraint of wheelchairs; advanced emergency first aid; and communications and customer care.

- 5.15. In addition, epilepsy awareness training will be a requirement for all Passenger Assistants, and additional training is provided for administration of medication including seizure medication and carrying of oxygen and other specialist apparatus where this is identified as a requirement. Service User specific training will also be delivered for example Parent Perspective Training delivered by local parent representative groups, and for adults the Councils' day centres will deliver training such as dementia awareness where it is required.

### ***Vehicles***

- 5.16. The Councils have set out clear requirements in relation to the provision of suitable, safe and roadworthy vehicles. Transport will be delivered in a range of wheelchair accessible and non-accessible vehicles of up to 16 seaters which are air conditioned and with appropriate on-board equipment to maximise the safety and comfort of service users during their journeys.
- 5.17. Vehicles will also be required to comply with legal and compliance standards with regular checks and maintenance and all vehicles used on this contract will be no older than three years at the start of this contract to minimise the risk of breakdown or parts failure.
- 5.18. As part of the successful providers' commitments to the environment, all minibus vehicles will comply with Euro 6 emissions standards, the highest possible standard for diesel vehicles. There is currently no reliable alternative fuel option for accessible minibuses in the market at present. In addition, the contract requires providers to comply with London's new Ultra Low Emission Zone standards, and providers are required to educate drivers on eco-driving best practice such as fuel-efficient driving and anti-idling.

### ***Risk Management and Quality Assurance***

- 5.19. As part of the need for ongoing service improvement, minibus providers will work in partnership with the Councils to monitor, manage and improve services. Requirements include the need to identify, manage, reduce and mitigate risks to Service Users in the execution of the contract. Providers will also be required to respond to complaints, with clearly set out methods of investigation, and resolve complaints to the benefit of all parties with regularly involvement of the TCST.
- 5.20. The TCST will also be responsible for oversight and contract management and the new contracts will be underpinned by a robust performance management framework, with key performance indicators on a range of service elements such as punctuality, user satisfaction, complaints, incidents, consistency of service, safeguarding and staffing. The conditions of contract outline the Councils' right to carry out unannounced site visits, checks and audits, and to issue default notices where the provider has failed to meet requirements of the contract set out in the service specification.

## ***Social Value***

- 5.21. Both Councils are committed to ensuring that commissioned services enhance social value for the lifetime of contracts in terms of generating benefits to society and the local economy, whilst minimising damage to the environment.
- 5.22. Both successful minibus providers have committed to increasing opportunities for residents to help them towards employment with commitments to advertising jobs locally first, providing supported employment schemes, internships and apprenticeships within their organisations including commitments to specific numbers of posts. Providers have committed to making a positive impact on neighbourhoods by supporting local voluntary groups and charitable organisations.
- 5.23. In addition, both providers have clearly set out measurable deliverables and milestones for reducing the impact on the environment for example with targets relating to reducing the organisations carbon footprint and working towards Green Mark accreditations.

## **6. PROPOSAL: Procurement for Passenger Transport Minibus Services**

### ***Procurement Process Overview***

- 6.1. A compliant procurement process was carried out in accordance with the Councils' Contract Regulations and Public Contract Regulations 2015 and the procurement has been conducted in order to establish a Framework for Passenger Transport Minibus services comprised of two Lots: Lot 1 for Children's minibus services and Lot 2 for Adults minibus services, which has been structured to reflect the transport industry and the needs of the different service users. Three main call off contracts are proposed to be awarded concurrently to the establishment of the Framework which includes Children's Contract 1A and Children's Contract 1B both of which are to transport eligible children and young people with special educational needs from home to school, and Adults Contract 2A to transport vulnerable adults travelling to and from day activities.
- 6.2. The procurement has been structured to enable all tenderers to bid for all three contracts, but one tenderer will not be awarded both Children's Contracts 1A and Children's Contract 1B. This is primarily due to the size of the Children's contracts, requiring suppliers who have the capacity, resources and infrastructure to deliver such large contracts, as well as the risk of dependency of delivery of this statutory service on one provider without any contingency providers.
- 6.3. The duration of the three call-off contracts will be for five years plus up to a two-year discretionary extension period subject to performance and if beneficial to the Council. As detailed in the Passenger Transport Procurement Strategy, these contract structures will enable commercially attractive packages which allow provider costs to be spread and the development of more proactive strategic relationship between the Councils and providers over a longer contract period.

- 6.4. Ensuring quality has been paramount to this procurement process. Minimum thresholds have been built into Stage 1 (Compliance) and Stage 2 (Quality) of the procurement process to ensure that providers awarded the contracts can meet or exceed the requirements and service quality standards.
- 6.5. All tenderers who bid for contracts were evaluated against the following criteria:
- Stage 1 – Compliance: Pass / Fail
  - Stage 2 – Quality 40%
  - Stage 3 – Price 60%
- 6.6. All tenderers who passed the minimum requirements at Stage 1 Compliance proceeded to have their quality submissions evaluated at Stage 2.
- 6.7. All tenderers who passed the minimum requirements at Stage 2 Quality proceeded to have their quality submissions evaluated at Stage 3 Price.
- 6.8. The percentages awarded to each Tenderer at Stage 2 Quality and Stage 3 Price for each Lot/Contract were added together and the Tenderer with the highest total percentage score for each of the three Contracts would be awarded that Contract. However, where a Tenderer achieves the highest score for both Contract 1A and Contract 1B, their indicated contractual preference would be taken into account to ensure they cannot win both Children’s Contract 1A and Children’s Contract 1B.
- 6.9. The tender was published on the Councils’ e-tender portal ‘capitalEsourcing’ on 4<sup>th</sup> February 2019 date, and the closing date for submissions was 12<sup>th</sup> March 2019. The total number of bids received was six tenders for Lot 1 Children’s and six tenders for Lot 2 Adults.

***Procurement Stage 1: Compliance***

- 6.10. Each tenderer was required to achieve a minimum level of acceptability as defined by compliance standards which included matters such as:
- a) Financial and economic standing
  - b) Insurance
  - c) Health and safety
  - d) Commitment to paying staff London Living Wage
  - e) Pension commitment involved in transferring ex Local Authority staff
  - f) GDPR requirements
  - g) DBS checks
  - h) Satisfactory references
  - i) Health and safety policy
  - j) Business continuity plans
  - k) Safeguarding policies
  - l) Proposal to protect and promote the welfare of passengers which has been evaluated by the Safeguarding Lead.
- 6.11. As part of the Financial and Economic Standing assessment, tenderers were required to demonstrate that they are financially sound and have sufficient economic resources to perform the contract. Relevant factors included the

Tenderer's annual turnover, as well ratio thresholds to assess liquidity, gearing and cash flow.

- 6.12. The Instructions to Tenderers made clear that this procurement was open to groups and consortiums as well as single organisations, and if any of the thresholds were not met then Tenderers were permitted to submit additional information to demonstrate a robust financial and economic standing approach to the Councils as to how the risk of financial failure may be mitigated.
- 6.13. Tenderers were also required to provide at least two references to confirm experience of delivering similar contracts in nature and scope to the Passenger Transport minibus service to transport vulnerable Service Users.
- 6.14. Of the six Tenderers that submitted bids, one tenderer was disqualified for submitting an incomplete bid and three tenderers failed to achieve the minimum standards set out in Stage 1 Compliance.

### ***Procurement Stage 2: Quality***

- 6.15. Two Tenderers passed Stage 1 Compliance. These two Tenderers bid for both Children's Lot 1, and Adult's Lot 2 so proceeded to Stage 2 Quality evaluation.
- 6.16. Ensuring quality through the procurement process was of particular importance and the minimum pass criteria for each quality question was given careful consideration. All Tenderers were required to achieve a minimum score of 3 (satisfactory) or to exceed this for every quality question presented. As outlined within the Invitation to Tender the Council reserved the right to pass Tenders that achieved a score of 2 (some concerns) for up to a maximum of 2 quality questions, however this was not applied as no Tenderer scored lower than 3.
- 6.17. The evaluators for Stage 2 Quality consisted of a total 7 individuals to bring together and represent different areas of expertise in the evaluation process. The evaluators included a:
  - a) Strategic Commissioner
  - b) Commissioning and Transformation Lead
  - c) Head of Travel Care and Support
  - d) Parent Representative from WCC
  - e) Parent Representative from RBKC
  - f) Head Teacher of a Special Educational Needs Schools
  - g) Day Centre Manager for service which supports vulnerable adults
- 6.18. Evaluators independently scored the Tenderers quality submissions without conferring, and then met as a group for moderation sessions which were chaired by an independent procurement officer. At the moderation sessions, the evaluators discussed the quality submissions submitted by Tenderers and came to an agreed consensus score and rationale for each score for each quality question submitted by each Tenderer.
- 6.19. There were a total of 8 quality questions for Children's Lot 1 and Adults Lot 2, which were tailored to address the requirements for each group. Tenderers were required to submit proposals on how they would deliver the service in relation to the following areas:

<b>Quality questions</b>	<b>Quality Criteria</b>
Duty of Care	6%
Implementation and Mobilisation	6%
Operational Requirements	4%
Staff Recruitment and Employment/Continuity	4%
Staff Training	6%
Vehicles	6%
Risk Assessments and Quality Assurance	4%
Social Value	4%
Total	40%

### 6.20. **Procurement Stage 3: Price**

- 6.21. Tenderers that passed all the required thresholds at Stage 1 Compliance and Stage 2 Quality then proceeded to have their tender evaluated at Stage 3 Price. Pricing submissions account for 60% of tenderer's overall scores.
- 6.22. The Pricing Model for Children's Contracts 1A and 1B used for evaluation and for payment on contract award is Single Seat Equivalent (SSE). The Pricing Model for Adult's Contract 2A also uses SSE and also incorporates a trip price for additional trips which occur through the day, to and from day services.
- 6.23. SSE is a flat rate paid per passenger for each seat used by that passenger on an appropriate vehicle. For passengers with high support needs, the number of SSE's paid by the Councils will vary to allow for additional spaces used on vehicles. For example, a large wheelchairs may take up two spaces on a vehicle and therefore two SSE's are paid to the supplier. Tenderers were also required to submit a price per trip for an additional individual Passenger Assistant for any Service Users requiring 1:1 support. Tenderer's SSE prices were required to be inclusive of all costs associated with delivering the service such as staffing costs, vehicles, maintenance, cleaning, insurance and fuel costs, depots and parking spaces, and any other overheads.
- 6.24. The price schedule which tenderers were required to complete for each of the three contracts required tenderers to submit an SSE price per destination or price per trip, which calculated an indicative annual contract price.
- 6.25. For each of the three contracts, each tenderers' indicative annual contract price was weighted and evaluated at 60%. The price evaluation process ensures that the lowest indicative annual contract price for each contract achieves the maximum weighted score of 60%, and all other prices are evaluated as a percentage of the lowest price.
- 6.26. The percentages awarded to each Tenderer at Stage 2 Quality and Stage 3 Price in relation to each of the Contracts are added together and the Tenderer with the highest total percentage score for each of the three Contracts is

recommended in this report to be awarded that contract. Where a Tenderer achieves the highest score for both Contract 1A and Contract 1B, their indicated contractual preference is taken into account to ensure they cannot win both Children's Contract 1A and Children's Contract 1B.

#### **6.27. Overview of Winning Tenderers**

6.28. HATS Group Ltd are an experienced Passenger Transport provider for Local Authorities as well as patient transport services for the NHS. HATS Group Ltd have been an incumbent provider for Passenger Transport in RBKC and WCC for children and adults for the last 5 years and have implemented substantial service improvements to enhance the quality of the service and this has resulted in a significant reduction of complaints and issues.

6.29. The strengths of HAT's tender proposal included excellent detail on their systems, processes and protocols to prevent Never Events and the introduction of a Parent Liaison Officer dedicated to building relationships with stakeholders and resolving issues on a day to day basis. Building on their experience of providing patient transport services, HAT's proposal exceeded requirements with additional training offers in relation to epilepsy medication, buccal midazolam, infection control and other Service User specific training as and when required.

6.30. CT Plus is part of HCT Group, a not-for-profit social enterprise. CT Plus provide Passenger Transport for a number of Local Authorities, as well as numerous 'red bus' contracts on behalf of Transport for London. CT Plus are the incumbent provider for Children's Contract 1B, having been awarded an interim 12-month contract following the previous minibus provider, Starbus, going into administration in August 2018.

6.31. The strengths of CT Plus's tender proposal included detailed information on their systems and management processes to ensure that requirements would be met at every level, from management oversight through to detailed staff protocols and back-up arrangements. Staff training included elements to ensure compassionate care and understanding, with a strong organisational training and development offer. Their social value offer was particularly strong with commitments to local employment opportunities and added support to identified voluntary and charitable organisations in both Boroughs.

6.32. Both HATS and CT Plus scored similarly high in the Quality evaluation stage and panel members were assured of their ability to meet the individual needs of Service Users and deliver the requirements of the service to an excellent standard.

#### **Procurement Price Analysis**

6.33. The price submissions and price analysis in comparison to current costs is set out in Part B

#### **Mobilisation**

6.34. Following contract award, a series of mobilisation activities will take place between the Council and the successful providers to ensure that the

mobilisation plans they submitted as part of the procurement and arrangements are implemented and put in place for a smooth transition to the new service to minimise the impact of change on service users and their families.

- 6.35. Internally, work will be taking place to ensure that the list of children and young people eligible for transport for the new academic year is up to date, including adding new starters, noting those who have transferred school/college and those who will be leaving and no longer requiring the service. Additionally, work will be undertaken to ensure that all service users have up to date Travel Care Plans.
- 6.36. Officers will ensure that the mobilisation of the service is well communicated with parents and carers, this will include letters notifying them of their transport provider and what to expect from the new service, the staff working on the routes, and route details such as pick up and drop off times. Minibus providers will be required to carry practice runs of routes, as well as offer service users and parents the opportunity to meet with the driver and/or Passenger Assistant who will be staffing the route before the service starts. The Council has also developed a Parent Booklet to ensure that everyone is clear on their roles and responsibilities for a smooth-running Passenger Transport service.
- 6.37. A robust communication and engagement plan has been developed as part of the mobilisation of the new service and the Council will work closely with providers to ensure that schools, day centres, parents and service users are regularly communicated with and kept up to date.
- 6.38. The new minibus service will continue to be overseen by the Council's in-house Travel Care and Support Team (TCST), responsible for contract and performance management of providers, relationship management of parents, carers, schools, days services, as well as the first point of contact for any issues.
- 6.39. ***Business Continuity and Risk Management***
- 6.40. As part of the procurement, Tenderer's were required to include a copy of their organisation's Business Continuity Plans. Business Continuity Plans include contingency plans in any situation that could adversely impact operations and include an analysis of the impact of risks and any mitigating action. Once contracts have been awarded, and during the mobilisation phase, the successful providers will be required to develop and mutually agree the development of their Business Continuity Plans with the Council, as well as regular review during the lifetime of the contract.
- 6.41. In addition, the Contract Terms and Conditions include a Financial Distress Clause to enable the Councils to regularly monitor provider's financial stability. Financial distress events include but are not limited to; credit rating dropping below the specified threshold; issuing a profits warning or making any public announcement about a material deterioration in its financial position; there being a public investigation into improper financial accounting. In any of these events the Councils will have recourse to take appropriate action to ensure the delivery of statutory transport provision.

### ***Alternative Travel and Demand Management***

- 6.42. To better manage demand of transport provision and reduce transport spend where possible, a programme of Alternative Travel is in place. Alternative Travel options aim to promote independence to support young people's outcomes and reduce their dependency on transport provision, thereby reducing 'lifetime' transport costs.
- 6.43. Alternative Travel options include Independent Travel Training where children and young people with SEND can learn how to travel from home to school or college, on a specific route, on their own and in a safe and responsible way. Training is delivered by qualified Travel Trainers and offered only where appropriate to do so. Personal Transport Budgets are also being rolled out to enable parents the choice of transporting their children themselves and reimbursed for the cost of fuel.
- 6.44. As part of implementing Alternative Travel options, a Travel Care Coordinator will undertake and review travel care assessments annually to ensure that travel options for eligible children and young people are appropriate and relevant which will have a key impact on reducing cost pressures on the service.
- 6.45. In addition, the Council is reviewing all those young people who travel short distances, who are travelling in taxis with Passenger Assistants and those with low-level complexity in terms of their specific needs. Where appropriate, the Council will engage with the young person and their family to reduce any over-provision of transport in line with changing needs, e.g. as the child gets older.
- 6.46. Parent representatives are involved in the Alternative Travel programme and sit on the Task and Finish Group. They are actively engaged in the proposals and support the work that is taking place.

## **7. CONSULTATION AND COMMUNITY ENGAGEMENT**

- 7.1. Cabinet Members in WCC and Lead Members in RBKC have been kept informed of this re-procurement and have been regularly updated in their briefings. Scrutiny Members in both Councils have also been regularly updated.
- 7.2. Prior to the Procurement Strategy and the development of the service specifications, extensive consultation, engagement and co-design took place with parents, carers, service users, schools and day centres to shape the service, inform the requirements and ensure that the new contracts deliver on desired outcomes.
- 7.3. To shape the strategy and service specification for the Children's Passenger Transport Service, consultation activity included:
- Letters sent to parents/service users informing them of forthcoming change to service
  - Surveys sent to parents of service users
  - Letter to schools asking for feedback on the service
  - Meetings with staff at Special Schools
  - Written feedback from School Staff
  - Workshops with Parents Groups and Service Users.

- 7.4. To shape the strategy and service specification for the Adults Passenger Transport Service, consultation activity included:
- Letter sent to parents/service users informing them of forthcoming change to service
  - Surveys sent to adult service users
  - Workshops and discussion groups with Service Users, their families and carers in Day Centres.
  - Service feedback from Day Centre Managers and Adult Social Care staff
- 7.5. Using feedback from the consultation and engagement programme, Officers analysed the feasibility of the ideas for improving the service, considering what stakeholders wanted and what the Council could achieve. Officers returned to stakeholders to outline proposals in a 'You Said, We Did' document which allowed stakeholders to see how their feedback and ideas helped shape the new service.
- 7.6. There have been ongoing updates with key stakeholders since the main engagement to shape the strategy and specification. Parent representatives, a head teacher and a day centre manager were involved in the procurement evaluation panel. There is also a comprehensive communications plan which is due to be implemented prior to the start of the new contracts in August 2019 for adults and September 2019 for pupils.

## **8. HUMAN RESOURCES AND EQUALITIES IMPLICATIONS**

- 8.1. An Equalities Impact Assessment was compiled and approved with the Passenger Transport Procurement Strategy in January 2018. These have been updated for the purposes of the contract award and can be found in the background papers used to prepare this report.

## **9. LEGAL IMPLICATIONS**

### **9.1. *Legal Implications – RBKC***

- 9.2. It is noted that it is proposed for the Royal Borough of Kensington and Chelsea (RBKC) to set up the Framework Agreement for the provision of Passenger Transport Minibus Services on behalf of RBKC and Westminster City Council (WCC).
- 9.3. Framework agreements do not impose contractual obligations on the commissioners (in this case RBKC on behalf of itself and WCC) to use the Provider until there is a "call-off" under the Framework. Call off contracts must be awarded in accordance with the procedure set out in the Framework terms and conditions.
- 9.4. RBKC will enter into each Call-Off contract on behalf of itself and WCC, the relationship between RBKC and WCC in relation to the framework and the call off contracts will be governed by an Inter-Authority Agreement ("IAA") (details of which are found in point 9.9 below).

9.5. 2.28 of the RBKC Contract Regulations states that the award of each of the contracts is a key decision and the relevant lead member for each service should approve the award of the contracts.

9.6. ***Legal Implications – WCC***

9.7. Although the WCC spend on each individual call-off contract under this Framework is under £1.5 million, as the total value of WCC through the Framework is over £1.5 million and the large scale and complex nature of the project then the relevant Cabinet Members should approve the WCC spend and the WCC entry into the IAA.

9.8. ***Legal Implications – RBKC and WCC***

9.9. The IAA will cover, inter-alia:

- The procurement process to be undertaken by the two authorities. An IAA would normally restrict the contracting authority's (here RBKC) 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. In the event of there being a procurement challenge made in relation to the Passenger Transport framework which resulted in RBKC having to pay damages and/or costs then these amounts would be split 50/50 between the two councils. If RBKC were awarded any costs after a challenge, the awarded would be split 50/50.
- 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.
- 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 and any termination must have mutual agreement between the parties whilst a call off contract is in existence.

9.10. The IAA should be completed prior to the commencement of the Call-off contracts

Legal Implications provided by Graham McIntosh, Solicitor, Bi-Borough Legal Services, 0207 641 4338

## **10. PROCUREMENT IMPLICATIONS**

10.1. Following a compliant procurement process, carried out in accordance with RBKCs Standing Orders and WCC's Procurement Code and Public Contract

Regulations 2015, this report proposes to establish a four-year RBKC Passenger Transport Minibus Framework which can also be accessed by WCC through an inter authority agreement, and to also award RBKC three contracts, Children's Contract 1A, Children's Contract 1B and Adult's Contract 2A which meet the needs of both RBKC and WCC (via an inter authority agreement). These recommendations are made on the basis of quality being weighted at 40% and price being weighted at 60%.

- 10.2. A market engagement event was widely advertised and well attended, ensuring that suppliers were informed of the Bi-Borough's commissioning intentions and also gave providers the opportunity to feedback on these intentions in advance of the tender being published which were then incorporated into the procurement design.
- 10.3. The minibus transport market who specialise in and are sufficiently experienced and capable of delivering a safe and reliable service to children special educational needs and disabilities, and vulnerable adults is relatively small in this area of London. However, the results of the procurement are competitive and gave the evaluation panel assurance that the services will be delivered to a good standard.
- 10.4. The Framework can be used throughout the four-year duration for any additional passenger transport minibus requirements that may arise via a mini-competition process.
- 10.5. Throughout the design and evaluation of this procurement there has also been comprehensive best practice engagement with all relevant stakeholders, including Head Teachers, Day Centre Managers, parents, service users and their families and transport expert commissioners.
- 10.6. Procurement implications provided by Sarah Reardon, Procurement Consultant, Integrated Commissioning Directorate. Email: sarah.reardon@rbkc.gov.uk

## **11. INFORMATION GOVERNANCE IMPLICATIONS**

- 11.1. Officers have engaged with colleagues in the Information Governance Team and the Information Security Team prior to launching the tender to ensure that all documents are compliant with General Data Protection Regulations. The documents which were reviewed included the Qualification Questions, Framework Agreement, Call-Off Contracts and the Service Specification. Data Processing Schedules have been included within the Terms and Conditions of the Call off Contracts and Framework Agreement.
- 11.2. A Privacy Impact Assessment has been completed as far as possible as part of the Procurement Strategy and has been updated for the minibus procurement. The PIA will be finalised once the successful providers have been notified of the contract award and they have completed the required due diligence documents (such as the Information Security Questionnaire) and these have been approved by the Information Security Team.
- 11.3. Information Governance implications reviewed by Jan Boucher, Information Governance / Caldicott Support Manager, Janice.Boucher@rbkc.gov.uk

## 12. FINANCIAL IMPLICATIONS

### ***RBKC – Children’s Services***

- 12.1. The expenditure on Passenger Transport for minibuses in 2018/19 was £0.81m.
- 12.2. The expenditure in 2019/20 will potentially increase by 22% as a result of the procurement process. The projection for 2019/20 expenditure and comparison against 2018/19 expenditure is shown below:

Borough	Spend for current minibus service 2018/19	Forecast Spend for minibus service 2019/20 onwards	Estimated impact of procurement on current minibus service (%)	Total minibus budget 2019/20	Variance against 19/20 budget
RBKC	£0.81m	£0.99m	22%	£1.0m	£(0.01)m

- 12.3. The potential increase in expenditure of 22% for minibuses, should be contained within the 2019/20 financial envelope owing to growth models provided for by the Borough as part of its Medium Term Financial Strategy (MTFS). This is subject to there being no further activity increases placing upwards pressure on available resources that cannot be mitigated by alternative travel arrangements.
- 12.4. Please note that the 2019/20 budget figures are a pro-rata adjustment of the gross Passenger Transport budget, based on 2018/19 spend on minibuses and taxis.
- 12.5. As the service is demand led, the Executive Directorate should maintain robust activity trend analysis and predictions on usage, to ensure an accurate financial requirement that forms part of the ongoing MTFS. Owing to the contractual requirement to index based on a CPI derivative, the expected costs from indexation will need to form a part of the MTFS.
- 12.6. Any unexpected costs will need to be met through existing planned resources within the Directorate in the year they are borne.
- 12.7. *Finance implications provided by Norman Ullah, Finance Manager. Email: [nullah@westminster.gov.uk](mailto:nullah@westminster.gov.uk) Tel: 020 7641 3425.*
- 12.8. *Finance implications reviewed by Ashley Hughes, Strategic Finance Manager. Email: [ahughes2@westminster.gov.uk](mailto:ahughes2@westminster.gov.uk) Tel: 020 7641 1190.*

### ***RBKC – Adult Social Care***

- 12.9. Finance implications for Adult Social Care in RBKC:

<b>Borough</b>	<b>Spend for current minibus service 2018/19</b>	<b>Spend for future minibus service 2019/20 (from new procurement)</b>	<b>Total Budget</b>	<b>Variance against Budget</b>
RBKC	£778,626	£532,172	£752,200	(£220,000)

- 12.10. The cost of the future contract amounts to £532,000, compared to the budget of £752,000. This equates to a saving of £220,000 which can be included as part of the 2019/20 MTFS savings for Adult Social Care.
- 12.11. As part of ongoing reviews of activity and indexation, an appropriate forecast model for budgets in the MTFS will be required.
- 12.12. Any unforeseen costs will be contained within existing resources through appropriate mitigating actions.
- 12.13. *Finance implications provided by Mark Sone, Group Accountant, Adult Social Care, [Mark.Sone@rbkc.gov.uk](mailto:Mark.Sone@rbkc.gov.uk)*

### **WCC - Children's Services**

- 12.14. The expenditure on Passenger Transport for minibuses in 2018/19 was £1.82m.
- 12.15. The expenditure in 2019/20 will potentially increase by 15% as a result of the procurement process. The projection for 2019/20 expenditure and comparison against the 2018/19 expenditure is shown below:

<b>Borough</b>	<b>Spend for current minibus service 2018/19</b>	<b>Forecast Spend for minibus service 2019/20 onwards</b>	<b>Estimated impact of procurement on current minibus service (%)</b>	<b>Total minibus budget 2019/20 (unadjusted for growth and indexation)</b>	<b>Variance against 19/20 budget</b>
WCC	£1.82m	£2.09m	15%	£1.80m	£0.28m

- 12.16. The potential increase in expenditure is 15%, almost wholly due to the impact of suppliers paying a Living Wage, and there is potential to overspend by £0.28m against the unadjusted 2019/20 budget envelope.
- 12.17. The budget for 2019/20 has yet to be indexed for market forces and have approved growth for demography and this procurement applied in year. It is anticipated that an increase by CPI of £0.033m (1.8% as at March 2019) plus growth of £0.451m in hand with alternative travel arrangements implemented in April 2019 will enable the procurement to be met within existing resources and provide for demographic upwards pressures across both taxi and minibus transport.

- 12.18. The 2019/20 budget figures are a pro-rata adjustment of the gross Passenger Transport budget, based on 2018/19 expenditure on minibuses and taxis.
- 12.19. As the service is demand led, the Executive Directorate should maintain robust activity trend analysis and predictions on usage to ensure an accurate financial requirement that forms part of the ongoing Medium Term Plan (MTP). Owing to the contractual requirement to index based on a CPI derivative, the expected costs from indexation will need to form a part of the MTP.
- 12.20. Any unexpected costs will need to be met through existing planned resources within the Directorate in the year they are borne.
- 12.21. *Finance implications provided by Norman Ullah, Finance Manager. Email: [nullah@westminster.gov.uk](mailto:nullah@westminster.gov.uk) Tel: 020 7641 3425.*
- 12.22. *Finance implications reviewed by Ashley Hughes, Strategic Finance Manager. Email: [ahughes2@westminster.gov.uk](mailto:ahughes2@westminster.gov.uk) Tel: 020 7641 1190.*

### **WCC – Adult Social Care**

- 12.23. Finance implications for Adult Social Care in WCC

<b>Borough</b>	<b>Spend for current minibus service 2018/19</b>	<b>Spend for future minibus service 2019/20 (from new procurement)</b>	<b>Total Budget</b>	<b>Variance against Budget</b>
WCC	£115,500	£151,483	£132,512	£18,971

- 12.24. Based on the recommendation in part A of this report the new minibus contract value will exceed the current budget by £18,971 as per the table above.
- 12.25. The cost increase outlined from this procurement will be contained within existing resources across the controlled Adult Social Care budget for 2019/20 of £54.5m.
- 12.26. *Finance implications provided by Henry Ashong, Finance Manager Adult Social Care, Westminster City Council; Tel: 020 7641 3215, email: [hashong@westminster.gov.uk](mailto:hashong@westminster.gov.uk)*

**Background papers used in the preparation of this report (available on request):**

Passenger Transport Procurement Strategy – January 2018

Mobilisation and Communications Strategy

You Said We Did

Travel Assistance Policy

RBKC Equalities Impact Assessment

WCC Equalities Impact Assessment

Privacy Impact Assessment

For completion by the **Cabinet Member for Family Services and Public Health**  
**Declaration of Interest**

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

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

NAME: **Councillor Heather Acton, Cabinet Member for Family Services  
and Public Health**

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 recommendations in the report entitled **FRAMEWORK AND CONTRACT AWARD REPORT FOR PASSENGER TRANSPORT MINIBUS SERVICES FOR ELIGIBLE PUPILS AND VULNERABLE ADULT** and reject any alternative options which are referred to but not recommended.

Signed .....  
Councillor Heather Acton, Cabinet Member for Family Services and Public Health  
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:  
.....  
.....  
.....  
.....

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 Director of Law, the City Treasurer and, if there are resources implications, the Director of People Services (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 and 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.

