



## Notice of Non-key Executive Decision

<b>Subject Heading:</b>	Permission to go out to tender for a taxi dynamic purchasing system for children and adult social care
<b>Cabinet Member:</b>	Councillor Robert Benham, Cabinet member for Education, Children & Families and Deputy Leader of the Council
<b>SLT Lead:</b>	Robert South, Director of Children's Services
<b>Report Author and contact details:</b>	Amy Reed, Senior Commissioner and Project Manager, 01708 431858, <a href="mailto:Amy.Reed@havering.gov.uk">Amy.Reed@havering.gov.uk</a>
<b>Policy context:</b>	<ul style="list-style-type: none"> <li>• Home to School Travel Assistance Policy relevant to the academic year</li> <li>• Adult Social Care and Support Planning Policy</li> </ul>
<b>Financial summary:</b>	Indicative annual contract value will be £1.2 million and £6 million over the 5 year contractual period funded from various existing revenue budgets specified in the report. There are Medium Term Financial Strategy (MTFS) savings identified against the project for 2020-21, which this activity is expected to contribute towards.

Non-key Executive Decision

<b>Relevant OSC:</b>	Children and Learning
<b>Is this decision exempt from being called-in?</b>	Yes

Non-key Executive Decision

**The subject matter of this report deals with the following Council Objectives**

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

## Part A – Report seeking decision

### DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

To approve the commencement of a procurement process to establish a dynamic purchasing system (DPS) for a period of 5 years for the purpose of commissioning providers of taxi passenger services.

### AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 [Responsibility for Functions], para 3.4 of the Constitution – Powers of Members of the Senior Leadership Team

Contract Powers

(a) to approve commencement of a tendering process for all contracts above a total contract value of £500,000.

### STATEMENT OF THE REASONS FOR THE DECISION

#### 1. Executive summary

1.1. This decision is seeking approval to commence of a procurement process to establish a DPS for a period of 5 years for the purpose of commissioning providers of taxi passenger services.

#### 2. Statutory duties

2.1. The Education Act 1996 requires local authorities to make suitable and, where eligible, free travel arrangements for 'eligible children' as they consider necessary to facilitate attendance at school and this duty underpins the Council's Home to School Travel Assistance Policy, which is refreshed annually. This can include the provision of regular scheduled taxi's being required.

2.2. The Care Act 2014 requires local authorities to meet the care and support needs of adults who meet the national eligibility criteria. This can include the provision of taxi services as part of a scheduled service or on an emergency or ad-hoc basis.

#### 3. Drivers

3.1. To date, the Council has used a taxi framework to deliver the required services which comprised of a number of local suppliers. This framework expired in 2016 and there is a need to recommission the arrangements in line with current needs and requirements for the service.

## Non-key Executive Decision

3.2. There is a need to recommission the offer to bring the requirements in line with current need and demand, to enhance competition within the market to achieve better rates and to improve the quality of services provided to residents.

### 4. Demand

4.1. The demand for taxi services has increased significantly over the past four financial years, as demonstrated by the increase in expenditure in table 1. As part of the review of travel assistance transformation programme, measures have been in place to minimise the use of taxi's where possible or implement more economic alternatives to travel assistance. This has included joint taxi's for clients, moves to alternative forms of assistance that meet people's needs, such as fuel reimbursement or a passenger transport bus, and by promoting independent travel where reasonably possible.

### 5. Financial

5.1. In line with the demand for services, the expenditure on taxis has been increasing over the past four financial years. Table 1 demonstrates the increase in expenditure over the financial years.

#### 5.2. Table 1: Expenditure over past four financial years

Service	2015/16	2016/17	2017/18	2018/19
Home to school travel assistance pre-16	£450,936	£528,151	£578,837	£935,235
Home to school travel assistance post-16	£94,419	£163,217	£173,798	£222,920
Ad-hoc children with disabilities	£0.00	£0.00	£2,943	£4,715
Looked after children	£59,673	£16,508	£40,085	£33,357
PRU	£56,451	£22,992	£5,992	£0.00
Vulnerable	££0.00	£0.00	£35,000	£5,126
Adults social care	£8,919	£13,331	£5,861	£20,861
<b>Total</b>	<b>£670,398</b>	<b>£744,199</b>	<b>£842,516</b>	<b>£1,222,214</b>

5.3. As part of the delivery of a different operating model, it is projected that the Council will achieve better value for money and efficiencies through the new method of operating and the increase in competition. Any savings that arise will contribute to the overall savings for the wider travel assistance project.

5.4. Based on benchmarking of expenditure within other London Boroughs with a similar or higher no. of taxi users for the provision of home to school travel assistance, as seen in table 2 and 3, it can be concluded that Havering has a higher unit cost for taxi provisions than the other Boroughs.

#### 5.5. Table 2: Benchmarking of London Borough taxi services expenditure and usage 2018-19

## Non-key Executive Decision

	<b>Barking and Dagenham</b>	<b>Wandsworth</b>	<b>Kingston</b>	<b>Havering</b>
Expenditure	£1,417,542.90	£2,013,806	£1,551,754	£1,200,000
No. of users	189	224	195	118
Unit cost	£7,500.23	£8,990.21	£7,957.71	£10,169.49

5.6. Table 3: Difference in unit costs

<b>Average out of borough unit cost</b>	<b>Havering unit cost</b>	<b>Difference</b>
£8,149.38	£10,169.49	£2,020.11

## **6. Tender**

6.1. The tender documentation has been prepared with a project board consisting of representation from the following stakeholders:

- Legal services
- Procurement
- Special educational needs and disabilities finance
- Corporate finance
- Adult social care service
- Children's and adults with disabilities service
- Education services
- Passenger transport services
- Innovations and dynamic purchasing system specialist

6.2. The tender will be evaluated by a selection of representatives from each key area.

6.3. As part of developing the tender documentation, the process for ongoing evaluations of submissions over the life of the contract as part of the dynamic purchasing system, and a set of representatives to evaluate the bids, will be nominated and agreed by the project board.

6.4. The approved checkpoint 1 report sets out the full details of the proposed tender procedure due to be followed in line with the constitution and procurement regulations.

6.5. Due to how the Local Authority is not commissioning a new service, there are no changes required to the EQHIA and therefore one will not be completed for the purposes of this recommissioning exercise or as part of the decision to seek permission to tender for the service.

## **7. Procurement timetable**

7.1. Table 6: Key milestones and completion dates

<b>Milestone</b>	<b>Completion date</b>
Project board established	Nov-19
Governance agreed	Feb-20

### Non-key Executive Decision

Market warming completed	Mar-20
Tender documentation signed off	Mar-20
Tender published	Mar-20
Deadline for submission of clarification questions	Mar-20
Deadline for tender submissions	Mar-20
Tenders evaluated	Apr-20
Preferred provider(s) selected	Apr-20
Governance agreed	May-20
Standstill period	Jul-20
Contract awarded	Jul-20
Contract mobilised	31-Aug-20
Contract transitioned to business as usual contract monitoring	06-Jan-21

### **OTHER OPTIONS CONSIDERED AND REJECTED**

1. Do nothing and continue operating under the expired framework agreements – unsuitable due to how current framework has expired and the needs of the business require a different solution
2. Engaging in a tri-borough commissioning exercise with Barking and Dagenham, and Redbridge Council – unsuitable due different operating models in neighbouring boroughs
3. Engaging in a joint commissioning exercise with Newham Council – unsuitable due to market response in relation to distance between authorities
4. Calling off the Crown Commercial Services Dynamic Purchasing System – unsuitable due to operating model available

### **PRE-DECISION CONSULTATION**

None

## Non-key Executive Decision

### **NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Amy Reed

Designation: Senior Commissioner and Project Manager

Signature:



Date: 24 January 2020

## **Part B - Assessment of implications and risks**

### **LEGAL IMPLICATIONS AND RISKS**

The Council has a general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do, together with the power under section 111 of the Local Government Act 1972 to do anything ancillary to or which facilitates any of its functions, including the matters set out in this report.

The Council is a local authority as defined by section 270 of the Local Government Act 1972 and has a general duty under Section 1 of the Care Act 2014 to promote the well-being of individuals. "Well-being" in relation to an individual is defined within the 2014 Act as including control by the individual over day-to-day life (including over care and support, or support, provided to the individual and the way in which it is provided).

The Council also has a duty under section 508(b) of the Education Act 1996 to make such travel arrangements as it may consider necessary in order to secure that suitable home to school travel arrangements for eligible children in its catchment area.

Under paragraph 3.4 (Powers of Members of the Senior Leadership Team) of Part 3 [Responsibility for Functions] of the Council's Constitution, Senior Leader Team members have delegated authority to approve commencement of a tendering process for all contracts above a total contract value of £500,000.

In line with Appendix 4 [Contract Standing Orders], paragraph 9, of the Council's Constitution, officers have obtained Gateway (Checkpoint) Stage 01 approval to commence the procurement process.

The proposed contract value is above the EU threshold for Supply, Services and Design Contracts (currently £189,330); and accordingly the Council is obliged to advertise the Contract opportunity in the Official Journal of the European Union (OJEU).

The operation of a DPS falls within section 34 of the Public Contracts Regulations 2015 (PCR). Officers will be required to follow the PCR rules of a restricted procedure, and all the candidates satisfying the selection criteria must be admitted to the DPS without limitation. The Council intends to divide the DPS into categories



## Non-key Executive Decision

(lots) of services and therefore must specify the applicable selection criteria for each lot at the time of OJEU publication. Tenders must be evaluated against the Council's best price-quality ratio of 70% cost and 30% quality weighting.

The Council is a local authority and a best value authority with duties and powers to make arrangements to secure continuous improvement in the way it exercises its functions, pursuant to Part I of the Local Government Act 1999. Such arrangements will include keeping the operation DPS under regular review to encourage value-added activities and services.

There are no implications for the Council under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) as a result of this procurement exercise. There may be TUPE implications for prospective providers. Officers must notify the market of the incumbent providers' TUPE information, if applicable.

Legal officers are available to assist the client department in finalising the terms and conditions of the proposed DPS contract.

### **FINANCIAL IMPLICATIONS AND RISKS**

The indicative annual value of the contract is £1.2m per annum (£6m over the life of the 5 year contract), based on 2018/19 outturn expenditure. The cost of taxis will be met from existing budgets held by individual services (predominantly Children's and Adults Services).

It will be the responsibility of the relevant service manager to ensure that they have sufficient funding available to cover the costs of any taxis commissioned and any overspends will need to be met from within existing resources.

Should the new DPS arrangement identify any saving in taxi costs, this will be retained by the relevant services. They will either be reinvested in transport provision to other clients and/or contribute towards existing transport savings targets within the MTFS. The MTFS savings associated with the wider travel assistance project, of which taxi commissioning is a part of, amount to £45k in 2020/21, £30k in 2021/22 and £5k in 2022/23, a total of £80k over the 3 financial years. A further MTFS saving has been associated with SEND passenger transport of £100k in 2020/21. A bid has been approved for Transformation Funding in the amount of £95k for a Fleet Specialist, Business Analyst and Assessment Officer. These posts will be appointed to further the work of the Travel Transformation project and to deliver the MTFS savings required.

Demand is expected to increase in regards to pupil numbers as evidenced at the children's rising rolls meeting: this is anticipated to increase demand for home to school taxi usage resulting in increased expenditure. Separate initiatives are being undertaken by a project steering board to reduce the demand for taxi transport, which is incurred in the transport of children with complex needs to specialist provision.

The DPS should allow for more competition in the market and therefore a slight reduction in price may be seen, however a figure cannot be assigned to this reduction at present. If costs were to increase, over the financial resources available, they would

Non-key Executive Decision

need to be met from within existing service budgets for Adults and Children's Services. The MTFS savings associated with this programme, would also need to be met.

**HUMAN RESOURCES IMPLICATIONS AND RISKS  
(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

### **EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

It is both Council policy and recently renewed SLT direction/expectation that EqHIAs (Equality and Health Impact Assessments) are carried out when appropriate and in sufficient time to enable informed decision-making. As a basic rule, one should be undertaken whenever staff, service users, or the wider public are impacted by decisions or the intended or planned activity. The relevant template with guidance is available from [diversity@haverling.gov.uk](mailto:diversity@haverling.gov.uk) and the intranet and its purpose is to ensure a systematic approach to the task and to evidence that due regard is paid to any adverse impact on affected parties with protected characteristics. In addition to the nine protected characteristics, the assessment also looks at matters pertaining to health and socio-economics, respectively.

Another accepted way to demonstrate due regard is to produce minutes of meetings which clearly show equality implications of the intended activity were fully discussed and understood by decision-makers. The status of EqHIAs can be 'completed' or 'under development', with a view to completion before any final decisions are reached. Where legal challenges occur, completed EqHIAs can often become items of evidence in related proceedings. Finally, if an EqHIA is not to be carried out authors should state the reason in the equality section of their report. Do consult the corporate diversity advisor if clarification or support is needed.

### **BACKGROUND PAPERS**

None

Non-key Executive Decision

**Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

**Decision**

Proposal agreed

*Delete as applicable*

Proposal NOT agreed because

**Details of decision maker**

Signed



Name: Robert South - Director of Children's Service

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date: 19/2/2020

**Lodging this notice**

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on 19/2/2020

Signed J.P. R