

Cabinet Minutes 12th November 2019 – Item 11: Award of Contract for the provision of SEND Transport Transformation Consultancy Services.

The Cabinet Member for Children and Families introduced the report which set out a proactive and positive plan to improve the SEND transport service. There had been a review of the service, partly initiated by the scrutiny review by the Children and Young People's scrutiny Panel on SEND over a year ago where parents highlighted the problems faced in transport services. In responding to this, the service undertook this invest to save project forward to find solutions for this much depended upon service.

The Cabinet Member outlined that with the service currently costing approximately £4.8m per annum, this was a vital service for families with children who have a range of special educational needs and disabilities. It is essential that this vital operational service was efficient, effective, and able to adapt and to accommodate a variety of individual needs. It was noted that this was an in-house service where the management and administration of SEND transport is run directly by the local authority. In addition, the escorts and travel buddies, some 110 staff, were all directly employed by the Council. The transport vehicles were currently provided by a range of contractors.

The proposed transformation had two phases. The first phase is to award a contract for an external transformation business partner who has extensive experience working with other authorities, to improve their SEND transport arrangements. This first phase will have a specific requirement for a team who will work alongside the Council's in-house officers to implement much needed changes.

This work would involve detailed review of how the service is organised and administered to ensure the Council's in-house service meets needs of children and families, and is cost-effective. Once complete, the second phase will be to review the current arrangements for provision of vehicles with a view to insourcing.

This external review would involve parents and carers alongside officers. This was central to delivering the cultural change within the team in relation to service planning and delivery for the longer-term development and sustainability of this essential in-house service.

Payment of this contract was contingent on the savings being made.

In response to questions from Cllr Tucker and Cllr Ibrahim the following information was noted:

The Cabinet Member outlined that many authorities had problems with SEND transport, including Enfield, Camden and Hillingdon. It was noted that Enfield had worked with this particular organisation and saved £7m. The Cabinet Member had spoken with Hillingdon Council who had commented positively on this initiative and improvement to the contract. Noted that this service area was one of the most technically difficult areas of the Council which required an overhaul. The Children's Services had completed its research on this matter.

It was clarified that the drivers were not employed by the Council. This was the result of a historical decision when the Council had previously outsourced

all their vehicle drivers. To insource these drivers would require an additional process which was not feasible at this stage.

It was underlined that this was not an outsourcing decision and the services of an external transformation expert were being commissioned to provide specialist support for transforming this service. There was a need to enlist experience of robust delivery of this particular service. The expert team would be working alongside existing officers and would not be taking over the team. This was a particular area of the Council which required transformation activity urgently.

The contractor would be held to the agreed contract and savings.

Further to considering exempt information at item 29,

RESOLVED

1. To approve the award of a contract for the provision of SEND Transport Transformation Consultancy Services to the successful tenderer in accordance with the Council's Contract Standing Order (CSO) 9.07.1(d), for a period of two (2) years commencing end of October 2019 and at a total value of up to £600,000 over the 2 years period, with a further gainshare reward dependent upon demonstrable value of savings delivered in excess of £635,000 per annum;
2. That the date of commencement of the contract will follow immediately after five working days of the publication of the Cabinet decision to approve, plus a further ten working days standstill period as per public procurement contract regulations; and
3. That exploration of a further phase (phase 2) of transformation to insource vehicles and drivers is considered once the transformation of the SEND transport service and the associated savings is secured.
4. To note that details of the successful tenderer is outlined in Part B (exempt information) of the report.

Reasons for decision

A scoping review of SEND Transport provision was undertaken during April and May 2019 that reported opportunities to improve service, customer focus and confidence, resilience and provide a real and evidenced opportunity to deliver net savings of at least £600,000 per year. The review also found that:

Expectations from parents and schools are (rightly) high and that they wish for their services to be improved if they are to meet need.

In meetings with Head teachers and parents there was strong feedback that suggested poor communication, poor responsiveness and lack of proper consultation on changes, other than big events, by Haringey's Transport team.

An apparent lack of understanding across parents of the Council's obligations and policy in respect of transport.

Having considered the findings of the Scoping Review Report, in specific regard to the potential to improve services for families and to achieve significant sustainable savings, it was agreed to proceed with an Invitation to Tender exercise to identify a suitable external transformation partner.

This decision was reached after due consideration was given to the option of an in-house delivery model, where it was agreed that:

- A lack of SEND transport transformation/change management experience would impact adversely on the delivery of service improvements;
- the necessary step change in cultural and operating practice would not be realised;
- savings would only partially be realised;
- the inability to flex the necessary additional SEND transport related experience during expected 'resource-heavy' periods would impact delivery and incur additional staffing costs; and that
- an external SEND Transport transformation partner would strengthen the service offer to families and the in-house team.

In deciding to seek an experienced external transformation partner, and with due regard to feedback received from the Overview & Scrutiny Committee in July 2019 who requested that 'the voice of users should be at the heart of that service and that it should be co-designed, where possible', it was further agreed that:

- The approach to change must consider and engage appropriately and robustly with both parents and schools and, where possible, with our children and young people;
- the Assistant Director for Schools and Learning will ensure that during the early stages of the partnership with the transformation partner, parents, children and schools will be involved during the transformation process;
- the changes must be sustainable, and robust demand management and innovative travel solutions be established to best deal with new and any increasing demand or need for travel;
- to reduce the financial risk and to achieve best value for money for the Council and our residents, the preferred bidder must provide a guarantee of cost savings by being prepared to place contract fees at risk for non or partial delivery; and that;
- a monthly steering board made up of officers, parents and Members as appropriate, will review progress and provide assurance of 'signed off' savings against target. Savings will be signed off by the Council's financial team every month.

As well as the financial savings, this programme will be tasked to deliver a critical new and high performing travel operation for Haringey which is fit for purpose to meet current and future demand. The service will fit with a wider SEND strategy to improve services and make best use of resources.

In undertaking the restricted tender exercise to identify a suitably experienced external transformation partner to support the change process, prospective bidders needed to demonstrate:

- Evidence of very specific operational knowledge and transformation experience of SEND transport services; and
- guarantee of projected savings that are sustainable, by putting their consultancy fees at risk.

Subsequent to the tendering exercise, a bid has been received from a prospective supplier that promises a sustainable £635,000 per annum saving against a baseline 2018/19 expenditure of approximately £4,800,000 and that is guaranteed against provider delivery costs. This work would transform how the service is delivered and embed strong management and delivery.

The contract value is up to £600,000, subject to the full delivery of agreed savings (as set out in paragraph 8.1 below), with a further gainshare reward dependent upon value of savings delivered in excess of £635,000 per annum.

The contract value is £180,000 below the budget envelope approved by Cabinet in July 2019 of £780,000, representing a 23% saving on the budget envelope.

Outcome of Tender Process

In order to ensure compliance with EU procurement legislation and to ensure value for money, a mini-competition exercise in accordance with CSO 7.01(b) was conducted. The tender was conducted via the Crown Commercial Services (CCS) Management Consultancy Framework 2, lot 1, which contained 275 suppliers. A shortlisting exercise was carried out, based on the Council's minimum requirements for the service, which narrowed the suppliers down to 57. All 57 suppliers were contacted with an invitation to submit an Expression of Interest, of which 11 suppliers expressed interest in bidding for the service. The Competition was in accordance with the framework conditions, which was based on an evaluation weighting of:

- Price 40%
- Quality 60%

Following the receipt of 11 Expressions of Interest, a single bid was received that has been independently evaluated by three Council officers in accordance with the pre-determined evaluation criteria and subsequently moderated with procurement colleagues. The bid passed the minimum requirements and scored a total of 45% from the available 60% for quality.

Assessment of bidder response to the Service Specification

A low number of bids was expected because SEND Transport is a highly specialised service and a prerequisite for any bid to be considered was that the supplier would be able to demonstrate a deep and clear understanding of the service, the depth of the transformation needed and be able to show a proven track record in having delivered the transformation, including stipulated savings, in other local authorities. The examples of this to support the supplier we are recommended as part of this report can be found at Part B of this report.

Alternative options considered

Appendix A details options that were appraised by the Children's Services Directorate, together with the respective advantages and disadvantages of each option.

The recommendation arising from the option appraisal is to:

- Procure a specialist external transformation partner through a competitive restricted tender to support the change process, with:
- sustainable savings guaranteed against consultancy charges; and

- a gainshare agreement regarding additional sustainable savings that may be realised above contractual agreement.

Once transformation is underway and improvements begin to be secured and embedded, officers will begin a 'Phase 2' of the process which will give full consideration as to if and how vehicles might be procured and drivers employed by the Local Authority to further support the transformation process.