

CABINET

18 OCTOBER 2011

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| Title: Framework Contract for Taxi Provision | |
| REPORT OF THE CABINET MEMBER FOR CHILDREN AND EDUCATION | |
| Open Report | For Decision |
| Wards Affected: None | Key Decision: Yes |
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| Accountable Divisional Director: Meena Kishinani, Divisional Director for Strategic Commissioning and Safeguarding | |
| Accountable Director: Helen Jenner, Corporate Director of Children's Services | |
| Summary: <p>This Cabinet report requests authorisation for the Council to be named as a participating authority in a tendering exercise for taxi provision.</p> <p>The London Borough of Newham is seeking expressions of interest from suitably qualified and experienced firms interested in a Framework Agreement to provide passenger transport by taxi, including provision of passenger assistants for the transport of children and adults with special needs.</p> <p>The framework will be accessible to the boroughs which constitute the East London Solutions group who have given a formal expression of interest to be named in the development of this Framework, currently being the London Boroughs of Barking & Dagenham, Havering, Newham, Redbridge and Tower Hamlets.</p> <p>This Framework Agreement will result in an approved list of taxi providers which meets the Council's quality and safety criteria. This includes all drivers and passenger assistants being CRB checked for transporting children and adults.</p> <p>There is no financial commitment involved with this agreement.</p> | |
| Recommendation(s) <p>The Cabinet is recommended to agree:</p> <ul style="list-style-type: none">(i) the Council to be named as a participating authority in a tendering exercise led by the London Borough of Newham and involving a number of other participating authorities, for inclusion in a four-year Framework Contract for Taxi Provision, which includes the provision of SEN, safeguarding transport for adults and children, as described within this report. | |

- (ii) to indicate whether the Cabinet wishes to be further informed or consulted on the progress of the procurement and/or the use of the Framework Agreement, or whether it is content for the Corporate Director of Children's Services to monitor the progress of the Framework Agreement procurement and, upon conclusion of the procurement, to award contracts for the provision of taxi transport, as and when required by the Council, via the Framework Agreement.

Reason(s)

To secure and appropriate best value taxi services for the Council ensuring responsive transport service, promoting local suppliers and managing a contract to control costs / generate savings.

To support:

- The Council's key theme of "Better Health & Well-being" for both adults and children

To ensure:

- Best value use of the London Taxi card scheme and to promote independence for adult taxi service users
- Vulnerable adults and young people are supported to live independent lives in our community
- We have "A borough with high quality social care services for those that need them" (Council Policy Framework: Building a Better Life For All / theme: Better Health and Wellbeing).

And also to achieve:

- Children and Young People Plan strategic priorities (2011-16):
 - Priority 1: Ensure children and young people in our borough are safe
 - Priority 4: Improve support and fully integrate services for vulnerable children, young people and families (particularly children in care and children with disabilities)
- Corporate parenting responsibility - Children in care are not the sole responsibility of Children's Services. Corporate parenting emphasises the collective responsibility of the local authority and its partners to achieve good parenting, that is, to do at least what a good parent would do. This includes:
 - accepting responsibility for children in the Councils' care
 - making their needs a priority
 - seeking for them the same outcomes any good parent would want for their own child.
 - Elected Members knowing that children in care are safe, well looked after and supported.

1. Introduction and Background

- 1.1 The purpose of this paper is to explain the reasons for establishing a cross-borough Framework Contract for Taxi Transport and seek approval to participate further. This is underpinned by the overall vision: to create a framework of competent companies capable of providing a managed service of transport for those with and without special needs where the service is provided on behalf of the local authority.
- 1.2 From the perspective of the five Every Child Matters outcomes, transport impacts on 'staying safe' in its broader interpretation, as well as outcomes under the heading

'enjoy and achieve' in terms of access to education and other opportunities (such as sports provision), and 'making a positive contribution' in terms of work.

- 1.3 The proposed procurement will ensure that local companies are enabled to tender for the provision of taxi, coach and special vehicle provision, all with drivers.
- 1.4 The providers must be capable of ensuring continuity of supply, including tight management of safety, vehicle and driver provision to ensure minimum disruption of supply to vulnerable members of the community. Separate lots will ensure provision of special needs transport with appropriately qualified, vetted and trained passenger assistants.
- 1.5 The Framework will drive savings by joint working, economies of scale and by use of shared services where possible.
- 1.6 The previous contract for taxi provision expired in March 2011. Currently, provision is being paid for on a spot purchase basis. The Council requires a renewed contract with providers of taxi provision to be in place to assure continuity of provision.
- 1.7 There has been no previous or related report to Cabinet on this matter.

2. Proposal and Issues

- 2.1 The London Borough of Newham is seeking, on behalf of participating authorities, expressions of interest from suitably qualified and experienced firms interested in a Framework Agreement to provide passenger transport by taxis, buses and coaches, including provision of passenger assistants for the transport of children and adults with special needs.
- 2.2 The framework will be accessible to the boroughs which constitute the East London Solutions group who have given a formal expression of interest to be named in the development of this Framework, currently being the London Boroughs of Barking & Dagenham, Havering, Newham, Redbridge and Tower Hamlets.
- 2.3 Each of the above boroughs have indicated their wish to participate (in whole or part of the Framework Agreement), - with the exception of Redbridge at a later date.
- 2.4 The maximum number of participating firms will be 28 and the Framework Agreement will run for 48 months from the anticipated commencement in March 2012. The framework comprises 15 lots according to vehicle, passenger assistant and boroughs' requirements. Two of these lots are specifically for Barking and Dagenham:
 - Special Needs Taxi Services provided to London Borough of Barking & Dagenham with passenger assistants
 - General Taxi Services for ad hoc journeys provided to London Borough of Barking & Dagenham.
- 2.5 There are a number of advantages to agreeing a contractual framework over spot-purchasing. Quality assurance monitoring can take place across the participating authorities both with regard to statistical returns, as well as regular meetings with providers. Good practice and training opportunities can be shared amongst

providers and forums held with local partners. Good quality services should lead to more consistent, needs-focused, transport for children, young people and adults, allowing them to live more normal lives.

- 2.6 The particular contractual method recommended to Cabinet, that is a Framework Agreement, would have additional advantages. It would not oblige the local authority to purchase any particular volume from a provider. As the tender would be issued on behalf of some or all of the participating authorities the quality assurance requirements would be identical, leading to efficiencies on the local authorities' side in their respective commissioning and procurement services.

3. Options Appraisal

- 3.1 "Do nothing" – there is currently no contract in place (it has expired). Continuity of taxi provision is not assured and providers can prioritise alternative options. There is a risk that during the Olympics taxi providers can prioritise more lucrative options at the expense of Council priorities. The quality criteria for an approved list of taxi providers needs to be reviewed to ensure that the Council's residents are receiving transport that is safe and secure.
- 3.2 "Do something" – option 1: initiate an independently-run Council procurement process. If the Council was to act independently to create its own Framework Agreement, it could take an officer around 6 months through from the start to the end of the process.
- 3.3 "Do something" – option 2: continue with Newham-led framework as significant contribution has already been made by LBBD. There are no direct costs of participating in the Framework Agreement which is led by the London Borough of Newham. As Newham is leading the tendering process, it is expected that the cost of our involvement will be managed within the existing staffing budgets.

4. Consultation

- 4.1 This report has been circulated to members of DMT and CMT for discussion, refinement and approval.

5. Financial Implications

Implications verified by: Kathy Freeman, Finance Manager Children's Services

- 5.1 There are no direct costs of participating in the Framework Agreement which is led by the London Borough of Newham. If the Borough was to act independently to create its own Framework Agreement, it could take an officer around 6 months through from the start to the end of the process. As Newham is leading the tendering process, it is expected that the cost of our involvement will be managed within the existing staffing budgets.
- 5.2 The primary focus of the Framework Agreement is to maximise community benefits, safety and quality. It is also expected that there may be financial benefits arising through the re-negotiation of terms and agreements to provide better value for money, joint working and economies of scale in terms of combined purchasing power. However, the level of potential savings generated cannot be quantified until

after the tender exercise. Operationally, the Framework Agreement will be monitored on an ongoing basis, to ensure that it is delivering good value for money, over the 4 year duration of the contract.

5.3 The Framework Agreement in no way commits the Council to any expenditure with any particular provider. The Framework Agreement will secure the quality, reliability and safety of provision of appropriate transport and secure savings on the council-wide spend of approximately £800,000 per year on SEN taxi provision.

5.4 Categories areas of expenditure include the following:

- **Children's Safeguarding** - this category contains all transport for children in foster care, children who have court-directed contact with parents, transport for children with disabilities who go to centres, respite, etc
- **Adult Services** - this category caters for all adult services transport – adults being transported into centres, into and out of respites and ad hoc requests
- **In Borough Transport** - this is a category that caters for all transport to the Council's primary and secondary schools.
- **Trinity School Transport** - this category is for Trinity Special School pupils who are not able to be transported on borough buses
- **Out of Borough Transport** - this category is for pupils attending out of borough schools and who are not able to be transported on borough buses.
- **Residential School Transport** - this category is for SEN transport to weekly boarder placements.
- **College Transport** - this category caters for any pupils attending colleges, and who are not able to be transported on borough buses.
- **Various Other** - this would include all transport for CEO's, colleagues, special requests etc and transport that could not be categories into the above categories

5.5 There are various case studies of Local Authorities that have benefited from cost savings which result from rationalisation in the area of transport e.g. Glasgow City Council has realised a reduction of between 20%-25% in scheduled SEN taxi usage due to refinements made in their service provision and LB Ealing have also delivered significant savings through the retendering of the Day centre transport contract. LB Newham as the lead authority are undertaking detailed modelling of the potential savings.

6. Legal Implications

Implications verified by: Eldred Taylor-Camara

6.1 The Legal Practice has been consulted in the preparation of this report and their comments have been incorporated in the body of the report.

6.2 The Legal Practice will be consulted by and will provide legal advice and support to officers in their co-operation with LB Newham in the conduct of the procurement.

7. Other Implications

7.1 Risk Management

7.1.1 There is no current Framework Agreement in place as the previous agreement expired. It is a good time now to renegotiate better service options on behalf of Barking and Dagenham taxi users.

7.1.2 As a Framework Agreement there is no specific guarantee to any provider of a level of service. A Framework on behalf of all participating boroughs is likely to attract a higher level of interest from potential providers than one borough alone, so encouraging more competitive pricing and minimising the risk from default by any individual provider.

7.1.3 A suitable and safe taxi service provision for children, young people and adults with special needs is required. However, with the introduction of Independence Travel Training and other transport changes, this demand is expected to decrease over time. The Framework would tie providers into contractual obligations that would better ensure continuity of provision, as well as service quality for young people:

- vehicles will carry a first aid kit, at least one appropriate fire extinguisher, a kit adequate to deal with any spillages (including bodily fluids), safely and without hazard to the driver, or other passengers
- contractors will provide Passenger Assistants as required by the Council
- contractors must arrive at the specified collection and drop-off points by the times stated in the Schedule of Journeys
- all taxi drivers and passenger assistants will be CRB checked (for work with adults and children)

7.1.4 The risk to service users will be minimised considerably through providers being held to key quality standards within the terms of the Framework Agreement, such as:

- people are individuals and have the right to courtesy, dignity, privacy and independence
- all those involved in the provision of transport services are acquaintances in the passengers' lives and should act with respect
- all those involved in providing transport should acknowledge and respect people's gender, sexual orientation, age, ability, race, religion culture and lifestyle
- services should respond sensitively and flexibly to people's changing needs.

7.1.5 The provider must ensure that all passengers provided with transport by the Council be allocated an appropriate seat including the provision of any harnesses, standard booster seats or child seats (appropriate to the age, height and weight and mobility needs of the child) or secured wheelchair space. There is to be no standing at any time. The vehicle shall be so equipped as to enable passengers to be transported comfortably and should be heated when necessary. Passengers are not to be conveyed in any sideways facing seat.

7.1.6 LB Newham legal team initially asked partnering boroughs to sign an indemnity agreement which would indemnify the procurement process collectively between

partnering boroughs. Partnering boroughs raised concern about this proposal and so Newham legal time are due to have confirmed that an indemnity agreement will not be required for the purposes of this procurement, by the time Cabinet meets to consider this paper.

7.2 **Contractual Issues**

7.2.1 The Framework Agreement concerns the London Boroughs engaged in developing a collaborative Special Needs and other Transport Services with and without Passenger Assistants (Framework) which is to be led by LB Newham, with Project Support also from the London Borough of Newham.

7.2.2 The procurement is an EU Restricted procedure for the maximum duration of a Framework Agreement (4 years). The London Boroughs to have the framework in place and contract awarded by March 2012.

7.2.3 Newham is the lead authority and each borough will enter into a contract with a supplier through an access agreement.

7.2.4 At this stage, Newham has received approval of a pre-procurement report to Mayoral Proceedings which allows Newham to proceed with the process.

7.2.5 The following local authorities and members of East London Solutions (ELS) have already given a formal expression of interest to be named and actively engaged in the development of this Framework:

- London Borough of Barking & Dagenham
- London Borough of Havering
- London Borough of Newham
- London Borough of Redbridge, and
- London Borough of Tower Hamlets.

7.2.6 The Project is driven by Newham Strategic Procurement and Passenger Transport and by invitation through Heads of Procurement for all other input.

7.2.7 The Procurement will be overseen by a Project Board. The Project Board will be chaired by the lead procurement officer from the London Borough of Newham and Newham will report to ELS Procurement Board through the Shared Services Project Manager of East London Solutions. All participating boroughs will have representation on the Project Board.

7.2.8 The 'Official Journal of the European Union (OJEU) notice' has not yet been issued. Newham want to issue the OJEU notice as soon as possible and require confirmation that the Council is willing to be a participating borough (please see appendix for updated procurement timetable).

7.2.9 A set of stringent evaluation criteria have been established for potential providers (see appendix 'Tender evaluation criteria').

7.2.10 The maximum number of participating firms will be 35 and the Framework Agreement will run for 48 months from the anticipated commencement in March

2012. The framework comprises of several lots according to vehicle, passenger assistant and boroughs' requirements.

7.2.11 The proposed Framework Agreement will secure more competitively priced services through joint-commissioning arrangements (with local boroughs), in conjunction with enhanced quality assurance through the improved monitoring of providers and information-sharing between participating authorities.

7.2.12 The Council's previous contract for taxi services expired in March 2011. Taxi services are currently being spot purchased. If the Council Members choose to pursue a single borough tender the cost will be greater. This will incur at least 4- 6 months full time of a council officer and may not secure the full range of qualified providers the Council requires.

7.4 **Customer Impact**

7.4.1 Reducing inequalities – Newham have carried out an Equality Impact Assessment (EIA) on the procurement process. Within the Pre-qualifying Questions (PQQ) for this procurement process, section 4 scrutinises potential providers on their Equality and Diversity measures. The project board will monitor usage of the taxi Framework Agreement to ensure that equitable and appropriate usage is made, liaising with relevant departments of the Council as appropriate.

7.5 **Safeguarding Children**

7.5.1 Wellbeing of children in the borough – ensuring that potentially vulnerable children and young people are safely transported and, where appropriate, escorted, is a fundamental responsibility for the Council, staff and Members. Indeed, this is a responsibility for all Members as corporate parents.

7.5.2 Integrated service provision – the ability for children and young people to be safeguarded while transported to school allows them to experience services within the community in a safe way. Thereby, contributing to positive life chances, educational and social development.

7.6 **Health Issues**

7.6.1 A Framework Agreement will ensure that the health needs of vulnerable members of society are better supported, particularly with regard to mobility and where passengers have complex physical, psychological and/or sensory needs.

7.7 **Other Issues**

7.7.1 Members have expressed concern that a sector-wide procurement exercise could have an adverse economic impact on **local taxi providers**. There are at least two ways of addressing this: firstly, by ensuring that local providers are aware of the procurement exercise and have an opportunity to participate; secondly, the specification for individual Barking and Dagenham lots will require taxi providers to work within specific response times. In practice, this will ensure that Barking and Dagenham taxi providers will be well-placed to qualify for key criteria in the specification.

- 7.7.2 **Taxi card scheme** - the review of the Taxi card scheme may impact how much the Council subsidises the personal take-up of taxi services. However, this is not likely to impact on the aim of the Framework Agreement which is to secure responsive, high quality and safe transport for local people. The Framework Agreement essentially an agreement to identify a list of providers who meet our quality standards. There is no obligation for the Council to purchase services from these providers. By participating in this process we will have saved time and money on procurement costs and benefitted from collective negotiation with partnering boroughs.
- 7.7.3 **Personal budgets** - The Framework Agreement establishes an approved list of taxi providers that will be able to be accessed by the Council and by individuals directly.
- 7.7.4 This Framework Agreement will produce a list of qualified providers for taxi services which the Council can use. There has been concern raised about **potential fraud** in working with taxi services. It is important that the Council monitors the use of taxi provision to ensure that services are being provided in accordance with the quality requirements specified and in a legal and legitimate manner. The purpose of this paper is to establish a list of qualified providers and it is for each department to ensure that utilisation of these services is monitored and controlled. The partnering boroughs to the Framework Agreement will monitor the agreement via a project board including all partnering boroughs to address any potential issues.
- 7.7.5 **Safety** - Public Carriage Office (PCO) registration and CRB are required at the first stage of the tendering process (as noted in the draft OJEU notice and PQQ questions). All drivers and passenger assistants transporting children and adults will be Enhanced CRB checked (includes Protection of Vulnerable Adults).

Background Papers Used in the Preparation of the Report: None

List of appendices:

- Appendix A - Tender evaluation criteria for the Framework Contract for Taxi Transport
- Appendix B - Indemnity agreement