

**Report of: the Chief Officer (Partnership, Development, and Business Support)
Childrens Services**

Report to: The Director of Children Services

Date: 15th June 2016

Subject: Permission to procure a new contract for the Travel Buddies Scheme by way of competitive tender



Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The aim of this report is to seek permission from the Director of Children's Services (DCS) to procure the Travel Buddies scheme, with an approximate contract value of £250k per annum. The contract will be for three years, with the option to extend by a further two 12 month periods.
2. The purpose of the contracted provision will be to provide 'Travel Buddies', who will support and assist young people or vulnerable adults with SEND in travelling on public transport until they gain the skills, experience and confidence necessary to enable them to achieve independence with travel, following a final assessment by Leeds City Council's Passenger Transport team. The scheme focuses upon support to enable independent travel, largely but not exclusively, between home and school.
3. In the case of vulnerable adults, Adult Social Care is currently considering the level of funding that they will provide to support the travel training scheme. Adult Social Care (ASC) will determine the nature and type of journeys in respect of travel training for vulnerable adults. Adult Social Care will refer candidates into the scheme and be recharged by Children's Services for any buddying time and associated costs incurred. In addition to fulfilling our value of working as a team for Leeds, this joined-up approach reflects the most cost-efficient way of procuring and delivering a service in which Children's Services is the lead partner.

4. A subsidiary aim with any new contractual arrangement is to provide children, young people and vulnerable adults with transferrable independence and life skills in order to encourage independence to the fullest extent appropriate for the individual. This element will be reflected in the new specification.
5. The main outcomes from this provision are to support vulnerable young people and adults to travel independently and develop greater levels of self-confidence, resilience, self-esteem and personal independence skills.
6. The annual budget for this work is substantial (in the region of £250k per annum, minus any applicable recharges to ASC for buddy time and associated costs incurred by adult learners). However, the cost benefits are also significant, as demonstrated in paragraph 2.3. Every pound spent on the programme, in tandem with successful outcomes, simultaneously reduces spending on taxis and other transport methods, leading to a situation where overall spending on transport assistance for SEND adults and young people is achieving significant transport related cost savings.
7. Payments to the service provider are made on the basis of each client going through the training and support programme. In this respect, it may be the case that annual expenditure is actually less than the allocated budget, dependent upon the number of clients referred to the programme. The suitability of potential clients for the programme is assessed by Passenger Transport team assessors, as is the final client outcome. Demand should level out as the scheme reaches all those who could benefit and then focuses on assessing those young people entering year seven. However, work is ongoing to identify adults who could benefit from the scheme and the Post 16 transport consultation may result in increased numbers.
8. A previous tender exercise undertaken in 2015/16 was unsuccessful, with both tenderers submitting bids priced above the capped hourly rate. In this tender, the specification and pricing model are being reviewed to ensure the service will provide good value for money and is financially viable for potential providers..

Recommendations

1. The Director of Children Services is requested to approve the procurement of a contract to deliver the Travel Buddy scheme, by way of a competitive tendering process. The contract will be for three years, with the option to extend by a further two 12 month periods, with a value of approximately £250k per annum.

1 Purpose of this report

- 1.1 The aim of this report is to seek permission from the Director of Children Services (DCS) to procure the Travel Buddies scheme, with an approximate value of £250k per annum.
- 1.2 The purpose of the contracted provision will be to provide 'Travel Buddies', who will support and assist young people or vulnerable adults with SEND in travelling on public transport until they gain the skills, experience and confidence necessary to enable them to achieve independence with travel. The outcome will be assessed by Leeds City Council's Passenger Transport team on behalf of Children's Services.
- 1.3 The scheme focuses upon support to enable independent travel, largely but not exclusively, between home and school, colleges, day centres, etc. Adult Social Care (ASC) will stipulate travel arrangements for vulnerable adults.
- 1.4 The aim with any new contractual arrangement is to provide children, young people and vulnerable adults with transferrable independence and life skills in order to encourage independence to the fullest extent appropriate for the individual. This element will be reflected in the new specification.
- 1.5 The main outcomes from this provision are to support vulnerable young people and adults to travel independently and develop greater levels of self-confidence, resilience, self-esteem and personal independence skills.

2 Background information

- 2.1 The Travel Buddies scheme has been running for since 2012. The contract for the supply of Independent Travel buddies has proved very successful.
- 2.2 The recent Children & Families Act (2014) states that councils need to ensure that "the aspirations for children and young people will be raised through an increased focus on life outcomes, including employment and greater independence".
- 2.3 The scheme has run successfully since 2012 and has evidenced significant savings;

	Number of Young people successfully Trained	Gross in Year Saving £000	Full Year Effect of Saving £000
2012/13	74	161	308
2013/14	103	219	465
2014/15	121	298	607
2015/16	136	355	708

- 2.4 Whilst making significant savings the main thrust of the work is to develop independence skills to, as a minimum, travel independently to and from school rather than dependency upon, for instance, taxis.

3 Main issues

- 3.1 The current contract for this work ends on 31.12.16 and there are no extensions periods to be taken up. It is estimated that the contract value will be in the region of £250,000 per annum.
- 3.2 In 2015/16, the total cost of the service was just short of £300k, with 156 service users successfully completing the training. The number of users has increased year on year as more young people and now adults have been assessed as suitable. The Passenger Transport team have control over the number of young people and adults assessed and referred to the service.
- 3.3 The annual budget for this work is substantial; however payments to the service provider are made on the basis of each child going through the training and support programme. In this respect, it may be the case that annual expenditure is actually less than the allocated budget, dependent upon the number of clients referred to the scheme. Demand should level out as the scheme reaches all those who could benefit and then focuses on assessing those young people entering year seven. However, work is ongoing to identify adults who could benefit and the Post 16 transport consultation could result in increased numbers. Should it be determined that more service users could benefit from the training in any year of the contract, the cost may be more than £250k but the overall cost benefit would far exceed this.
- 3.4 Every pound spent on the programme simultaneously reduces spending on taxis, and other forms of transport, leading to a situation where overall spend on transport assistance for SEND young people is achieving significant cost reductions, subject to successful outcomes. The average cost of transport for each young person is approximately £6,000 per year. The cost of training one young person is typically around £2,000, representing a significant saving as well as improving outcomes for young people. The financial benefits will be enjoyed for each school year that the young people continue to travel without relying on Children's Transport; these skills are generally expected to transfer into adulthood, thus representing long-term benefits for ASC. From a strategy and policy point of view therefore, in addition to supporting the council's financial plan, ITT is Restorative Practice at its best, as well as preparing young people with special needs for employment and independence into adulthood. Savings will be calculated annually and taken into consideration as part of managing the budget for this contract
- 3.5 The suitability of the client for this programme is assessed by the Passenger Transport team assessors. Similarly, the outcome is also assessed by the assessors.

- 3.6 It is proposed that the new contract runs from 01.01.17 for three years plus the option for two possible extensions of 12 months each (3+1+1).
- 3.7 In funding terms, this will amount to an overall potential value of £750,000 (subject to final determination of the contract value) for the initial three years, plus a further £500,000 for the potential 2 x 12 months extensions.
- 3.8 A previous tender exercise undertaken in 2015/16 was unsuccessful, with both tenderers submitting bids priced above the capped hourly rate. In this tender, the specification and pricing model are being reviewed to ensure the service will provide good value for money and is financially viable for potential providers. Various options for pricing the contract, including hourly and sessional rates, are currently being tested by the Commercial Team to calculate projected annual costs and these options have been discussed with potential providers as part of a bidder's consultation event in June 2016. Feedback is still being received and will inform the model adopted.
- 3.9 The project team has agreed that it is not beneficial to separate the tender into lots, either geographically or by age (children and adults), because this would incur additional management costs for a service where the number of front-line staffing hours is relatively small.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 This is an established piece of work over a number of years; extensive consultation in relation to the concept took place prior to the establishment of the original contract.
- 4.1.2 It is the intention to involve service users in the tender evaluation. This will be planned carefully to ensure young people have voice and influence and to mitigate the risk of challenge from bidders.
- 4.1.3 Potential providers were consulted in a bidders meeting on 6th June, to ensure the service and pricing models are effective and viable. The meeting was well attended, with twelve different organisations represented. There was a useful discussion, with numerous different queries points raised that demonstrated an interest in the service to be tendered. This is being followed up with further feedback requested.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The nature of this work, given its aims to support the independence of young people, and others, with special needs and mental health issues, enhances equality, diversity and integration. See Equality Impact Screening attached.

4.3 Council policies and Best Council Plan

- 4.3.1 The proposal indicates good value, as per the savings outlined at 2.3 above.
- 4.3.2 In line with the best council plan objective, and the Children & Young Peoples Plan, building a child friendly city; "children and young people do well at all levels of learning and have the skills for life.

- 4.3.3 That children and young people develop independence skills and maintain these skills for as long as possible, particularly as in this case, children and young people with special educational needs and disabilities.
- 4.3.4 That the local authority is as efficient as possible in its use of resources.

4.4 Resources and value for money

- 4.4.1 The contract value will be in the region of £250,000 per annum. Adult Social Care will refer candidates to Passenger Transport for assessment. Only those assessed as suitable for training will be referred to the service. Adult Social Care and be recharged by Children's Services for any buddying time and associated costs incurred. In addition to fulfilling our value of working as a team for Leeds, this joined-up approach reflects the most cost-efficient way of procuring and delivering a service in which Children's Services is the lead partner.
- 4.4.2 It is proposed that the new contract runs from 01.01.17 for three years plus the option for two possible extensions of 12 months each (3+1+1).
- 4.4.3 This will amount to an overall potential value of £750, 000 for the initial three years, plus a further £500, for the possible 2 x 12 months extensions.
- 4.4.4 The table at 2.3 above suggests that this proposed contract would constitute good value for money.
- 4.4.5 The focus of the current contract is upon the number of travel buddies in place to facilitate the training, for the new contract it is proposed that the specification expressly states the number of children and young people to be trained rather than the number of travel buddies to be employed.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 A full and open commissioning process will be undertaken should the DCS approve the request to procure, and approve the maximum budget.
- 4.5.2 Advice has been taken from Procurement colleagues, who have indicated that there are no legal issues that may affect the proposed way forward.
- 4.5.3 Given the value of this proposed contract the proposal will be subject to call-in and has been published on the forward plan.

4.6 Risk Management

- 4.6.1 Funding at the level indicated may not be available, which would inevitably affect the scope of the proposal. This could be considered a medium risk at this stage pending the budget decisions.
- 4.6.2 A lack of tender applicants may affect the viability of the proposed way forward, this would be considered a minor risk.

- 4.6.3 In order to counter this particular risk, a soft market test was run in September 2015; the test elicited a good deal of interest from a number of providers (11 potential providers in total).
- 4.6.4 Given the failure of the previous tender to attract affordable bids, the project team is testing a number of pricing options and held a bidder's event in June 2016 to consult potential providers and ensure a new contract is awarded, which delivers good value for money.
- 4.6.5 The proposed new contract will be effective from 01.01.17.

5 Conclusions

- 5.1 Notwithstanding any possible risks the DCS is requested to approve the request to procure the Travel Buddy Scheme.
- 5.2 A project group has been established in order to facilitate the commissioning and procurement process.

6 Recommendations

- 6.1 The Director of Children Services is requested to approve the procurement of a contract to deliver the Travel Buddy scheme, by way of a competitive tendering process. The contract will be for three years, with the option to extend by a further two 12 month periods, with a value of approximately £250k per annum.

7 Background documents¹

- 7.1 Not applicable.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.