

---

**REPORT FOR: CABINET**

---

<b>Date of Meeting:</b>	17 September 2015
<b>Subject:</b>	Procurement of Contractor for mobility assessments regarding Concessionary Travel
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Tom Whiting, Tom Whiting, Corporate Director of Resources
<b>Portfolio Holder:</b>	Councillor Sachin Shah, Portfolio Holder for Finance and Major Contracts
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Wards affected:</b>	All
<b>Enclosures:</b>	Appendix 1 - EqIA

## **Section 1 – Summary and Recommendations**

The purpose of the report is to seek authority to procure a contractor to support the assessment of applications for the concessionary travel assessment service which include Blue Badges, Freedom Passes and Taxi Cards.

The proposed procurement is necessary as the existing contract for this work expires in May 2016. Additionally, guidance no longer allows the Council to use GP endorsement letters and also states that mobility assessments for

concessionary transport services should be carried out by professional occupational or physio therapists.

### **Recommendations:**

Cabinet is requested to:

1. Permit the procurement of a contract for a supplier with a value range of between £800k to £2m for the assessment of non automatic applications or a combination of non automatic and automatic applications, subject to demonstration of Best Value, regarding concessionary travel for a 4 year contract
2. Authorise the procurement in accordance with EU public procurement rules and in accordance with Contract Standing Orders and delegate authority to proceed with the procurement to the Corporate Director of Resources in consultation with the Portfolio Holder for Finance and Major Contracts and to bring a contract award recommendation to Cabinet for approval.

Reason: (For recommendation)

Concessionary travel applications are currently assessed in two areas. Automatic qualifying applications are administered and assessed via a desk top assessment by Harrow Council staff and non-automatic applications are assessed through a face to face mobility assessment, carried out by qualified external contractors via existing contracts.

When the existing contract for non automatic assessments ends in May 2016, it will be necessary to have a new contract in place. It is also the intention to use the opportunity to test the market regarding automatic assessments to see if offering the opportunity for a contractor to deliver the whole of the concessionary travel service can bring further savings through economies of scale. This strategy will ensure we not only appoint a contractor for the non automatic assessments but also have the option to externalise the automatic assessments subject to the market proving that it can provide both capacity and a further savings due to the bigger potential volumes of work on offer.

Harrow is also developing a framework agreement to allow other authorities to join this contract. There are currently two other London authorities who wish to adopt Harrow's processes and potentially to join our contract to deliver, at a minimum, the non automatic assessments for their concessionary travel work. The headroom in the contract (up to £2m) is to cover the potentiality of these two local authorities joining a Harrow's contract once awarded, but indirectly provides additional value for money for Harrow due to the "potential economies of scale" for providers.

## 2.1 Introductory paragraph

Harrow Council provides the following concessionary transport services for eligible residents:

- **Freedom Pass:** The scheme allows free travel in the Greater London area on buses, tube, national rail (London network), DLR and Tramlink, for older and disabled people who reside in the Borough. It also allows free bus travel on local bus services anywhere in England. The Harrow Discretionary Disabled Person's Freedom Pass only allows travel within Greater London.
- **Blue Badge:** The Blue Badge scheme gives free and dedicated parking close to amenities for drivers and passengers with mobility-related disabilities, or who are blind. Blue Badge holders are able to park on yellow lines for up to three hours and are also exempt from the central London congestion charge. A pass is valid for a maximum 3-year period when holders have to reapply;
- **Taxicard:** for people with serious difficulties with walking (including breathing problems and sight loss) to travel in taxis at reduced rates.

These services are funded by the Council and remain subject to review. Overall, Harrow contributes £9.83m annually towards the cost of Freedom Passes and spends several hundred thousand pounds more administering these services. Considering that demand for these services grows year or year (claimant numbers rising yearly in line with Harrow's growing older population), it is imperative that all new applicants are assessed for eligibility in order to ensure that residents remain properly entitled to the concession/s, and that Harrow Council reviews all existing holders periodically.

Harrow Council has in place a mobility assessment contract with an independent company of health professionals. The contract considers all new applications and renewals under the non-automatic criteria.

## 2.2 Options considered

The option of not appointing a contractor was considered but dismissed. This was because a) guidance requires the Council to use professional Occupational/Physio therapists for all non automatic applications and b) the Council does not have employed qualified staff to carry out the mobility assessments in house.

## 2.3 Current situation – Eligibility Criteria

Eligibility is based on a number of automatic and discretionary criteria. To be eligible, applicants must have a disability that is permanent, having lasted, or expected to last, at least twelve months.

Automatic eligibility is based upon the applicant receiving certain disability benefits or alternatively being registered for conditions which give rise to automatic qualification, for example registered as severely Sight Impaired/Blind.

Applications that are outside the above 'automatic' qualifications are for determination by the Council. Harrow Council uses a comprehensive

approach to determining eligibility for the transport concessions, which requires applicants to provide evidence that their disabilities or medical conditions are such that they meet the eligibility policy.

Any contractor appointed will be required to adhere to any national guidance or published criteria for automatic eligibility cases. For all applications that are defined as being “*Subject to Further Assessment*” or non- automatic cases, the contractor will be required to either adopt the current assessment model used or supply an assessment model to determine eligibility that mirrors the existing process or improves it.

Harrow process are currently extremely robust ensuring those who should not be eligible to concessions do not obtain them. Additionally they generate very few Appeals and is seen to be fair, equitable and a transparent process by the public and the LGO. Any new contractor assessment model will be expected to deliver the same high quality assessment methodology and adhere to relevant guidance as issued by

The Concessionary Bus Travel Act 2007

<http://www.legislation.gov.uk/ukpga/2007/13/contents?wb48617274=E592A94A>

The Department for Transport (DfT) 2008 guidance on The English National Concessionary Travel Scheme (ENCTS)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/3621/travelconcession.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/3621/travelconcession.pdf)

Blue Badge Guidance

<https://www.gov.uk/government/publications/blue-badge-scheme-enforcement-changes>

[The Disabled Persons \(Badges for Motor Vehicles\) \(England\) \(Amendment\) \(No. 2\) Regulations 2011](#)

[The Disabled Persons \(Badges for Motor Vehicles\)\(England\)\(Amendment\) Regulations 2011 \(SI 2011/1307\)](#)

## **2.4 Implications of the Recommendation**

Subject to approval, the open procedure is proposed for the procurement of the support service and will be subject to EU public procurement law with the evaluation being based upon the most economically advantageous tender.

It is proposed that in addition to the mobility assessments that are currently already carried by an external contractor, that the in-house automatic desktop assessments together with the wider administration of all concessionary travel work is also market tested.

Subject to the market being able to deliver this area of work, moving the automatic assessments to a contractor may offer the Council increased value for money through “economies of scale” for the contractor, as well as simultaneously supporting Access Harrow’s channel shift strategy as

it may support reductions in footfall and allow the area to also meet their savings objectives within the MTFS.

The Council is also setting up a framework agreement to make the contract available to other likeminded local authorities. This will allow other Councils to join the contract, so that the savings and quality delivered under the assessment contract can be made available to other Councils and hopefully simultaneously also achieving even lower costs to Harrow due to the much higher potential volumes and therefore economies of scale that brings in to the winning contractor.

## 2.5 Staffing and Workforce Considerations

An Equalities Impact Assessment for the recommendations proposed within this report has been included at Appendix A.

## 2.6 Legal Implications

**Duty of Best Value** - Under Section 3 of the Local Government Act 1999, Local Authorities are under a general Duty to secure Best Value services. The duty is to “make arrangements to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness.” The recommendations in this report will assist with the achievement of Best Value.

**Procurement** - The Services to be procured are subject to the New Public Procurement Rules that came into effect in February 2015. The value of the proposed Services is higher than the current EU financial threshold for Services and so the procurement and award of the contract is subject to the full application of the Public Contracts Regulations 2006 as amended.

The award of the contract is also subject to the Council’s own Standing Orders in respect of High Value contracts and Financial Regulations. As a result, Cabinet approval will be required for the award of the contract and a mandatory ten calendar day standstill period will be applicable to the contract award. An indicative timetable for the procurement based upon the open procedure is shown in Table 2 below.

**Table 2**

Timing	Activity
17 September 2015	Cabinet Decision authorising Procurement
Sept/Oct 2015	Liaison with other London Authorities re Framework agreement
23 November 2015	OJEU Advert – Expressions of interest
23 November 2015	Issue Invitation to Tender (ITT)
17 December 2015	Receive tenders
21 December 2015	Evaluate tenders
11 March 2015	Cabinet report for contract award and Alcatel standstill period of ten calendar days
01 April 2015	Contract Mobilisation
15 May 2016	Contract Start Date

Public Sector Equality Duty - Decision makers must have due regard to the public sector equality duty in making their decisions.

Consideration of the duties must precede the decision. It is important that Cabinet has regard to the statutory grounds in the light of all available material. The public sector equality duty is set out at section 149 of the Equality Act 2010 and is as follows:

A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) Tackle prejudice, and
- (b) Promote understanding.

Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act. The relevant protected characteristics are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race,

- Religion or belief
- Sex
- Sexual orientation
- Marriage and Civil partnership

An equalities impact assessment has been undertaken and completed. A potential for adverse impact has not been identified for this proposal within the predictive Equalities Impact Assessment attached at Appendix A. .

TUPE - refers to the “Transfer of Undertakings (Protection of Employment) regulations 2006” as amended by the “Collective redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014.

These apply to organisations of all sizes and protect employees’ rights when the organisation or service they work for transfers to a new employer.

The TUPE regulations may apply when activities are either outsourced, transferred or a contract for services is moved from one provider to another. Where TUPE applies, the contracts of employment of affected employees transfer automatically from the transferor to the transferee. Their terms and conditions of employment and continuity of service transfer with them and they also receive certain protections around dismissal and redundancy. Benefits from occupational pension schemes are excluded in the regulations, although there are particular protections for local government employees subject to outsourcing.

There are two situations when the TUPE regulations may apply referred to as “business transfers” and “service provision changes”. Collectively these are called “relevant transfers”.

A “business transfer” may occur if a business or part of a business moves to a new owner or merges with another business to make a brand new employer.

A “service provision change” may occur in the following circumstances:

- A contractor taking over activities from a client (i.e. outsourcing)
- A new contractor taking over activities from another contractor (i.e. re-tendering)
- A client taking over activities from a contractor (i.e. in-sourcing).

Consideration has been given as to whether the provisions of TUPE apply to the recommendations set out in this report based upon the statutory provisions and case law. For a business transfer to take place there must be a transfer of an economic entity. Whilst there are

currently several employees within Access Harrow that could meet this criteria, (the work that employees currently do is being transferred out to an external provider), their job descriptions are generic and as there are multiple vacancies within the service, employees will simply carry out other duties instead of non automatic assessments for concessionary transport. As such, it is believed that TUPE will not affect the employees currently working on these services. However, in the case of some work activities currently carried out by the dedicated existing contractor's staff, there may be a TUPE implication that will need to be addressed through the procurement arrangements and contract documentation.

Consultation - Consideration has been given to the Council's duty to consult in accordance with Section 3 of the Local Government Act 1999. However, there is no requirement to consult in relation to this provision as there will be no significant changes to the services provided as a result of the proposals recommended in this report.

## **2.7 Financial Implications**

The Council is being required to reduce its budget by £83m over the four year period 2015/16 to 2018/19.

The Council contributes £9.83m annually towards the cost of Freedom Passes, a sizeable percentage of the Council's overall budget considering that Government grants have reduced year on year but Freedom Pass claimant numbers are rising yearly in line with Harrow's growing older population.

The current Harrow annual value for the proposed services in scope is approximately £200,000. A budget of £100k exists which currently pays for non automatic assessments and it is anticipated the costs for the additional £100k expenditure regarding automatic assessments would be met from the existing employee budget for vacant establishment posts which will be vired to meet the contract expenditure. As such the expected Harrow expenditure for these services over 4 years is £800k.

This differs from the overall maximum contract value ceiling of £2m as a buffer has been built in to cater for other local authorities joining the contract under a framework agreement.

## **2.8 Performance Issues**

The recommended option proposed within this report for the delivery of services is not anticipated to impact upon performance levels. However, it is intended to sustain existing performance levels.

## **2.9 Environmental Impact**

There are no direct environmental impacts anticipated from the recommendations contained within this report.



## 2.10 Risk Management Implications

Risk included on Directorate risk register? No  
Separate risk register in place? No

## 2.11 Equalities implications

A predictive Equalities Impact Assessment has been undertaken for the proposed procurement and is attached at Appendix A to this report.

## 2.12 Corporate Priorities

The recommendations contained within this report supports the Council's corporate priority of "Making a difference for the vulnerable". Carrying out the procurement for a contractor to continue assessing mobility claimants ensures those in need of concessionary travel concessions are awarded them quickly and are assessed fairly and in a consistent manner.

## Section 3 - Statutory Officer Clearance

Name: Steve Tingle	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 2 September 2015		
Name: Kalvinder Saib	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 17 July 2015		

<b>Ward Councillors notified:</b>	<b>NO</b>
<b>EqIA carried out:</b>	<b>YES</b>
<b>EqIA cleared by:</b>	Alex Dewsnap, Divisional Director, Strategic Commissioning

## **Section 4 - Contact Details and Background Papers**

### **Contact:**

Fern Silverio (Head of Service – Collections & Housing Benefits),  
Tel: 020-8736-6818 / email: [fern.silverio@harrow.gov.uk](mailto:fern.silverio@harrow.gov.uk)

**Background Papers:** None

**Call-In Waived by the  
Chairman of Overview  
and Scrutiny  
Committee**

**NOT APPLICABLE**

*[Call-in applies]*