
REPORT FOR: CABINET

Date of Meeting:	Sep 12 th , 2019
Subject:	Extension of the Labour Supply contract for Special Needs Transport services
Key Decision:	Yes
Responsible Officer:	Paul Walker, Corporate Director Community
Portfolio Holder:	Cllr Varsha Parmar – Portfolio Holder for Environment
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	None

Section 1 – Summary and Recommendations

This report seeks Cabinet approval to extend the provision of the labour supply contract for service users requiring Special Needs Transport (SNT) Managed Services to provide adequate time to complete the procurement of a new contract.

Recommendations:

Cabinet is requested to:

1. Approve the extension and variation of the current contract with Drake

International Limited by one year to 31st July 2020 for SNT Managed Services.

2. Increase the contract value by £4m for the current service to continue during the extension period.

Reason: (For recommendations)

To ensure the Council fulfils its statutory functions for transporting those with special needs.

Section 2 – Report

Introductory paragraph

- 1.1. The contract with Drake for the provision of labour for the SNT Managed Service was for a period of 3 years with the option to extend by up to a further 2 years. The 3 year initial period ended on 31st July 2019. Subject to Cabinet approval a contract extension by up to 2 years is allowed for in the current labour contract.
- 1.2. In April 2019, Cabinet approved the procurement of contractor/s for the provision of the labour supply frameworks for the Harrow and Brent shared transport service. The report set out the details of the procurement and options considered.
- 1.3. A one year extension of the contract will require the contract value to be increased by circa £4m which includes a contingency given the potential increased update of the service in the new term. The increased value is necessary to meet increased demand.
- 1.4. A procurement exercise for a new contract from 2020/22 will be launched in this financial year with Peoples services as commissioners and resources as lean experts to collectively review the procurement. . This would be a 4 year contract if tendered through a framework otherwise it will be a 5 year contract.
- 1.5. The procurement will be informed by a LEAN review which will include identifying new processes and technology to increase efficiencies and meet the needs of service users. The review will review budgets, and assess current processes. It will involve consultation between all services involved in the clients journey from assessment of eligibility to use the service to travelling on Special Needs Transport. It will build on current performance metrics which include Missed Journeys (driver or escort absence), training matrix, and unit cost, and include alignment of routes.
- 1.6. The SNT service is a complex service with many processes that need to run smoothly together. The individual needs of the growing number of service users vary vastly and to fulfil our statutory responsibility, each service user has to be risk assessed to establish a safe, secure and efficient transport provision. Those needs may for example relate to epilepsy sensory, learning and physical disabilities and behavioural

issues. The LEAN review is expected to be completed by the end of Quarter 3 2019/20 and will inform the new tender requirements for the provision of labour.

Options considered

The option considered was to:

- a. Go out to tender on the current service specification
- b. Extend the current contract, undertake a a LEAN review of the service to increase efficiencies and then tender the service..

Option b is recommended as it will enable the council to redefine a more efficient service specification which utilises new technology and processes to meet the needs of service users.

Ward Councillors' comments

N/a as the matter concerns all wards.

Risk Management Implications

The risk associated with this extension is that the current contractor fails to deliver the labour supply required for the service. This is being managed through use of a combination of in-house and agency staff.

Risk included on Directorate risk register? No

Separate risk register in place? Yes

N/A

Procurement Implications

The extension is already covered by the existing 3+2 year contract. The eventual procurement exercises will follow OJEU guidelines for an open tender process. The contract will be for 5 years.
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Legal Implications

The contract between Harrow Council and Drake International Limited dated 18 August 2016 provides for a two year extension and so there are no contractual implications arising from continuing with the Contract Period for
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another year.

The changes to the contract will be reflected by way of a Deed of Variation and Extension drafted by HB Public Law.

Financial Implications

This Labour Supply contract was set up when the shared SNT service with Brent Council commenced in 2016. It is primarily used for the delivery of SNT service for Brent Council as they do not have any drivers or passenger assistants employed in-house. Harrow Council makes use of the contract if additional staff are required.

The usage of the contract by Brent and Harrow is approximately 85% and 15% respectively. The actual expenditure over the last 2 years is summarised below. Should the contract be extended for one year, the projected cost for 2019/20 is £3.68m.

	2017/18 Actual Expenditure	2018/19 Actual Expenditure	2019/20 Projection
Brent	£2,650,269	£2,897,535	£3,100,000
Harrow	£455,841	£546,174	£580,000
Total	£3,106,110	£3,443,709	£3,680,000

As part of the shared SNT service agreement with Brent Council, any costs incurred on their behalf for the delivery of SNT service are fully recovered by way of quarterly invoices. This will include the costs incurred for this contract.

Costs incurred by Harrow SNT are to be met from the budget within People Directorate. The forecast outturn position for Harrow SNT is being closely monitored and reported as part of the monthly budget monitoring process.

Equalities implications / Public Sector Equality Duty

An EQIA was completed for Special Needs Transport award in 2016 there were no adverse equality implications from the EQIA. The contract extension for 12 months will not change the delivery of service and have no adverse equality impacts.

Council Priorities

- 1. Building a Better Harrow**
- 2. Supporting Those Most in Need**

- A contract extension would enable the SNT service to continue to support vulnerable residents in the provision of a necessary transport service without a gap in provision

3. Protecting Vital Public Services

A contract extension would enable the continuation of a vital public service without a gap in provision. Failure to continue to provide a continuous service during a tender process would damage a public service.

4. Delivering a Strong local Economy for All

- The SNT service provides employment for residents and develops the skills base of its employees.

5. Modernising Harrow Council

- The LEAN review which will be undertaken during the contract extension provides an opportunity to modernise provision.

Section 3 - Statutory Officer Clearance

Name: Jessie Mann	<input checked="" type="checkbox"/>	on behalf of the * Chief Financial Officer
Date: 15/08/19		
Name: Sarah Inverary	<input checked="" type="checkbox"/>	on behalf of the * Monitoring Officer
Date: 16/08/19		

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Name: Stuart Taylor	<input checked="" type="checkbox"/>	on behalf of the * Head of Procurement
Date: 15/08/19		

Name: Paul Walker



Corporate Director

Date: 4/09/19

MANDATORY

Ward Councillors notified:

NO, as it impacts on all Wards

EqIA carried out:

YES for the initial contract

EqIA cleared by:

Dave Corby

Section 4 - Contact Details and Background Papers

Contact:

Paul Walker, Corporate Director, Community

Phone: Ext 8658 Email: paul.walker@harrow.gov.uk

Background Papers:

Cabinet Report, 21st April 2016 and 11th April 2019

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

NO