

| Report for: | Cabinet |
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| Date of Meeting: | 23 June 2022 |
| Subject: | Inter Authority Agreement for the Harrow / Brent Special Needs Transport (HBSNT) |
| Key Decision: | Yes |
| Responsible Officer: | Dipti Patel - Corporate Director, Place |
| Portfolio Holder: | Cllr Anjana Patel – Portfolio Holder for Environment and Community Safety |
| Exempt: | No |
| Decision subject to Call-in: | Yes  |
| Wards affected: | All |
| Enclosures: | None |

| Section 1 – Summary and Recommendations |
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| This report sets out a proposal to make arrangements for two Inter Authority Agreements (IAA) between Harrow and Brent Councils for the provision of Shared Special Needs Transport Services (HBSNT)Recommendations: Cabinet is requested to:1. Approve Harrow entering a new 12-month maximum IAA arrangement for the provision of special needs transport to the London Borough of Brent from August 2022.
2. Approve Harrow to agree terms and finalise a new longer-term IAA, dependent on the outcome and informed by a joint review of services, between both Councils.
3. Delegate authority to the Corporate Director of Place in consultation with the Director of Finance and the respective Portfolio Holders for Environment & Community Safety and Finance to finalise and execute the above two recommendations.
4. Approve Harrow to lead on any necessary procurement exercises for associated third party contracts over the term of the IAA’s directly related to the provision of HBSNT (such as fleet, taxi, labour supply, IT).

**Reason (for the recommendations):**To ensure the respective Councils can discharge their statutory functions in the provision of this critical service transporting Children, Young People and Adults with special needs.  |

## Section 2 – Report

### Introductory paragraph

1. Approval of the recommendations set out in this Cabinet Report will enable Harrow Council to continue provision of its Special Needs Transport Services to the London Borough of Brent under the terms of the Inter Authority Agreement (IAA).

### Options considered

### The options considered were:

1. **Cessation of current arrangements on expiration of current IAA – option rejected -** The current IAA has been in place since August 2016 and has successfully delivered initiatives such as route share which reduces costs by around £250,000 each year for Harrow and Brent Councils, reduced carbon footprint though less vehicle movements, reduced management costs and economies of scale generated by shared contracts. Cessation of current arrangements would have an adverse operational and financial impact to both Councils and the HBSNT Service Users.
2. **Immediately agree new long-term IAA now - option rejected -** There is a current review of Services being undertaken by an external consultant commissioned by Brent. The review will not be published until after the IAA current expiration date 31 July 2022. The review findings will make recommendations for HBSNT service improvements for the benefit of respective Councils and their Service Users. It is considered prudent to jointly review and utilise the review findings (once published) to shape a long-term IAA.
3. **Up to 12-month new IAA pending the findings of the above review on the future delivery of services – option recommended –** A shorter term IAA for up to 12 months that mirrors the current terms will provide both Councils the opportunity to properly consider the service review findings and develop / agree a new long term IAA taking those findings into account.

### Background and Current Situation

1. Both Harrow and Brent Councils have a statutory duty to provide transport

assistance to eligible children who access education and college placements. Eligible children are those that have physical and emotional needs that make the use of personal or public transport inappropriate.

* 1. Brent and Harrow Councils entered an Inter Authority Agreement which commenced in September 2016 that expires on the 31 July 2022.
	2. In order to continue delivery and improvement of services an IAA is needed to underpin and govern the shared services arrangements.
	3. Brent Council is currently carrying out a review of the service. Any long-term shared service arrangements beyond 31 July 2022 will be subject to the outcomes of the service review. Therefore, it is not appropriate to enter into a longer agreement at the present time.
	4. The respective Councils have a history of delivering successful shared services. The current Special Needs Transport arrangements have yielded significant benefits to both Councils since September 2016 which would otherwise have not been possible as set out in section 2.1(a) of this report.
	5. Harrow is responsible for operational service delivery of the shared service from its Harrow Council Hub, with Harrow’s leading on the required procurement and management of third-party supporting contracts such as labour, taxi, fleet, and related IT.
	6. The current number of clients transported on behalf of Brent is approximately 1228 SEN children and 119 adults. With regards to the Harrow service there are 735 SEN children transported and 125 adults
	7. To give an idea of the scale of the transport services provided on behalf of Brent there are currently 92 in house operated routes and 223 taxi routes to transport the total number of clients. By comparison there are 74 in house operated routes and 123 taxi routes for transporting clients in Harrow.
	8. Year on year service demand increases by an average of around 5%.

### Implications of the Recommendation

* 1. The overall arrangement will continue to be governed by both Authorities through the joint SNT Board which will be underpinned by the proposed IAA’s. The IAA’s will set out the financial arrangements between the Councils and are based on the cost of the level of service being provided.
	2. The IAA’s will include provision for:
1. Objectives and partnership working
2. General operational arrangements
3. Governance including the Special Needs Transport Advisory Board and change control mechanisms that govern how the increase in activities
4. are agreed, costed and financed
5. Performance review meetings that govern the discussions on key
6. performance indicators and the rectification plans that will underpin the
7. resolution of any non/underperformance
8. Monitoring reports to track financial savings and operational performance of the shared service
	1. The proposal represents a continued business opportunity for both Councils as it provides the opportunity for both Councils to gain the benefits of economies of scale in contractual arrangements, greater efficiencies in operational front-line staffing (drivers and escorts), shared policies from cross working with seconded staff, systems and processes.
	2. It also provides the opportunity for better utilisation of Harrow premises assets to create efficiencies of the combined service in the following areas:
9. Premises – Harrow is able to offer shared fleet parking and office facilities at

the Harrow Council Hub.

1. Route sharing and route reduction operates on border routes.
2. Fleet greater economies of scale and market leverage are created through the pooling of demand from respective Councils.
3. Systems and processes – this includes the use of a single routing and

scheduling IT system.

1. Contractual arrangements – (Transport Service Taxi Framework and

the Labour Supply Contract with NR Limited are currently in term and provide better contractual terms given the larger value contracts).

* 1. In addition to the operational and contractual efficiencies above, there is scope to achieve further savings from demand management activities. These will be jointly reviewed by the SNT Advisory Board under the IAA arrangements.
	2. Future policy direction and commissioning actions of the Education/Children and Adults service areas will influence the level of savings or cost pressures in the shared service. Although the service will make its mission to keep operational costs at a minimum, it is unable to influence demands. The commissioning departments of both Councils will be required to review demand management activities. It is recommended that both Councils jointly develop a refreshed Transport Assistance Policy that would cover:
1. Independent travel training (ITT)
2. Use of personal travel budgets
3. Free travel for travel buddies
	1. Harrow already has a task and finish group exploring demand management issues. The results of this will be discussed as part of continuous improvement in the continued provision of service.

### Performance Issues

* 1. The IAA has a detailed suite of KPIs against which the

service will be measured. Service data will be collected by the Contract

Manager and reported to the HBSNT Advisory Board, on a quarterly cycle. This will be used as a part of monitoring the performance of the service and the achievement of pre-set targets and objectives. These targets will include the standard national indicators such as time spent on the buses. Where performance targets for KPI’s have not been achieved and reported to the Contract Manager as a part of the agreed monthly reporting cycle, it is the responsibility of the Contract Manager to inform members of the Advisory Board of the situation and agree remedial action.

* 1. The Advisory Board will determine the communication process to other

stakeholders who need to be made aware of situations when performance has not been achieved and remediation plans are in place.

### Environmental Implications

* 1. The primary environmental impacts arising from the activities are:
1. **Offices and buildings energy use:**

The services will be hosted /operated from the Harrow Central Hub which is a modern and fit for purpose facility. Energy is purchased from green sources and Photo Voltaic Solar Panels will provide a proportion of the required energy to support buildings systems.

1. **Fleet related activity:**

The current fleet complies with the required legislative emission levels and is certified to Euro VI standard. It has the lowest CO2 emissions achievable within budget. Opportunities to further reduce emissions levels are continually sought through route optimisation and reduction, shared service routes, driver behaviour management and grant funding applications.

### Risk Management Implications

* 1. The proposed IAA will underpin governance and control of all risks associated with the HBSNT Shared Services arrangements.
	2. There is a detailed risk register from 2021 that underpins all associated risks for the IAA. A review of the register is planned for 2022 as part of ongoing risk management. It is not expected that there will be any significant changes arising.
	3. Risks included on corporate or directorate risk register? No
	4. Separate risk register in place? Yes, but not current
	5. The relevant risks contained in the register are attached/summarised below. Yes
	6. The following key risks should be taken into account when agreeing the recommendations in this report:

| **Risk Description** | **Mitigations** | **RAG Status** |
| --- | --- | --- |
| Value for money is not achieved | * Costs are agreed between parties at the HBSNT Board prior to services commencement
* Financial governance and control processes are contractual and set out in the IAA
 | Green |
| The IAA is not agreed creating significant unbudgeted cost increases and having a significant adverse effect on operational service delivery to both Councils  | * A review of services is underway and both Councils will work to reach agreement in the spirit of collaboration minimizing impact to the benefit of both parties
* Approval of this cabinet report will provide the continue and improve current arrangements in place
 | Amber |
| Dispute between parties to the IAA | * Defined dispute resolution procedure is contained within the IAA
* Spirit of collaboration between the Councils

.  | Green |
| Procurements of associated third party contracts over the term of the IAA are not legally compliant or compliant with internal governance. | * All procurements will be undertaken in compliance with the Public Contract Regulations and Harrow Council’s Contract Procedure Rules
* All procurements will be subject to the terms of the IAA
 | Green |

### Procurement Implications

* 1. Regulation 12(7) of the Public Contract Regulations 2015 (“the Regulations”) establishes that where two or more local authorities enter into a contract exclusively, between themselves provided the arrangement fulfils three conditions – then the contract would fall outside the scope of the Regulations; therefore, there is no requirement to put the service out to a competitive tender exercise.
	2. The following conditions must be met in order for both Councils to benefit from regulation 12(7):- “(7) A contract concluded exclusively between two or more contracting authorities falls outside the scope of this Part where all of the following conditions are fulfilled:— (a) the contract establishes or implements a co-operation between the participating contracting authorities with the aim of ensuring that public services they have to perform are provided with a view to achieving objectives they have in common; (b) the implementation of that co-operation is governed solely by considerations relating to the public interest; and (c) the participating contracting authorities perform on the open market less than 20% of the activities concerned by the co-operation.”
	3. Any procurement(s) during the term of the proposed IAA agreement(s), that are required for the delivery of Harrow Council’s obligations set out in the IAA will be undertaken compliant with the Public Contract Regulations 2015 and the Contract Procedure Rules.

### Legal Implications

* 1. Harrow and Brent Council are able to enter into an Inter Authority Agreement pursuant to the Local Authorities (Goods and Services) Act 1970 (“the 1970 Act”) which authorises local authorities to enter into contracts for the provision of goods and services to other public bodies. Councils falls within the meaning of ‘public bodies’ as defined by the 1970 Act.
	2. . The joint Shared Special Needs Transport Service will operate under an Inter Authority Agreement (IAA) to be entered into by Harrow and Brent Councils. This will set out the financial arrangements, as well as the legal and contractual obligations applicable to the parties. The IAA will also set out key performance indicators and service standards.

### Financial Implications

* 1. Under the current IAA, Harrow leads on the delivery of Special Needs Transport service on behalf of Brent. The full costs are recovered from Brent via quarterly invoices. Financial management processes are put in place to review and forecast the costs regularly so that Brent is kept informed on the spend throughout the financial year.
	2. The current IAA expires in July 2022. Any longer-term shared service arrangements are subject to outcomes of the service review that Brent is leading on, therefore it is not appropriate to enter into such an agreement at the present time.
	3. In the new short term (up to 12 months) IAA, it is proposed that the service will operate under the same terms and conditions of the original IAA. Therefore, Harrow will continue to receive a management fee of £103k per annum and rent of £172k per annum for 87 parking spaces at Forward Drive depot. There is currently an income budget in the Transport Service for these.
	4. The new short-term arrangement does not change the way the service is delivered for Harrow clients, therefore there is no financial implication on the Harrow SNT service.

### Equalities implications / Public Sector Equality Duty

* 1. There are no proposed strategy changes to service delivery that would cause a disproportionately adverse effect to any of the protected characteristics, therefore an EQIA is not required.
	2. In the event of any proposed changes to service delivery that may affect equality rights the required consents and approvals would be sought and an EQIA undertaken.

### Council Priorities

Please identify how the decision sought delivers these priorities.

1. **Improving the environment and addressing climate change**

As set out in environmental implications section above

1. **Addressing health and social care inequality**

The services provided support people with Special Needs and enable them to participate in meaningful and life fulfilling activities

## Section 3 - Statutory Officer Clearance

**Statutory Officer: Dawn Calvert**

Signed by the Chief Financial Officer

**Date: 20 May 2022**

**Statutory Officer: Patricia Davila**

Signed by the Monitoring Officer

**Date: 18 May 2022**

**Chief Officer: Dipti Patel**

Signed off by the Corporate Director

**Date: 31May 2022**

**Head of Procurement: Nimesh Mehta**

Signed by the Head of Procurement

**Date: 26 May 2022**

**Head of Internal Audit: Susan Dixson**

Signed on by the Head of Internal Audit

## Date: 26 May 22

## Mandatory Checks

### Ward Councillors notified: YES, as it impacts on all Wards

### EqIA carried out: NO

There are no proposed strategy changes to service delivery that would cause a disproportionate adverse effect to any of the protected characteristics therefore an EQIA is not required.

In the event of any proposed changes to service delivery that may affect equalities the required consents and approvals would be sought and an EQIA carried out by Officers.

### EqIA cleared by: N/A

## Section 4 - Contact Details and Background Papers

**Contact:** Mohammed Hafeez, Acting Head - Transport & Environmental Operations 0208 424 1443 | 0208 424 1751 mohammed.hafeez@harrow.gov.uk

**Background Papers:** None

Call-in waived by the Chair of Overview and Scrutiny Committee

**NO**