

Ref PHD 019/09

Subject:	Special Needs Transport
Responsible Officer:	Carol Cutler, Director of Business Transformation and Customer Service
Portfolio Holder:	Paul Osborn
Key Decision:	Yes
Urgent/Non Urgent:	Urgent
Power to be exercised:	Paragraph 2 (iii) of the Delegated Powers of Portfolio Holders as set out in the Appendix to the Executive Procedure Rules, Part 4D of the Constitution.
Exempt:	No
Enclosures:	Full Business Case for SNT Project

Section 1 – Summary and Recommendations

Recommendations:

That the SNT Project be approved to proceed in line with its agreed Business Case

Reason:

The improved processes and technology will reduce costs whilst maintaining excellent service and contribute to an improvement in our use of resources..

Section 2 – Report

2.1 Introduction

This report summarises the case for increasing the efficiency of the Special Needs Transport Service operated by the Council. It has been developed as part of the Business Transformation Partnership and has therefore been subject to an Outline and Full Business Case.

The Full Business Case is presented at Appendix A.

2.2 Supporting the Corporate Strategy

The programme supports the Corporate Strategy through:

- Improving support for vulnerable people

It will support the 9 step plan through:

- Improving First Impressions of the Council (through better vehicles for the service)
- Improving the Council's financial position.

2.3 Options considered

Other options considered were:

- Continue to deliver the service as currently provided;
- Deliver the project using internal resource only;
- Deliver savings through a more incremental approach.

2.4 Current situation

The function of the Special Needs Transport (SNT) service is to carry Adults and Children, with Special Needs, to and from schools, Day Care Centres, and Resource Centres. The service strives to manage the deployment of vehicles and staff to meet the demand from both Adults and Children's in the most cost effective way possible. The current operating model is largely "capacity-led", with a relatively high number of vehicles on long term lease and the majority of staff on permanent employment contracts.

Each day in excess of 500 children (term-time) and 700 Adults are carried to and from their destinations, and the service has a satisfaction rating of 100% from Harrow schools.

2.5 Why a change is needed

The Special Needs Transport (SNT) service faces a variety of challenges. Some of these are the result of internal issues, inevitable with a service that has evolved over time, whilst others stem from the changing external demand for the service, and the nature of that demand.

The business case for re-structuring the Special Needs Transport (SNT) service is based on the principle of improving the efficiency of the way in which it is run without impacting on the quality of delivery that is the hallmark of the current service. This balance will be achieved by optimising the routes taken by fleet vehicles, and the staffing of those vehicles, so that usage is as constant as possible, and the numbers required to operate the service are kept to a minimum.

2.6 Recommendation:

That the programme be approved to proceed in line with its agreed Business Case.

2.7 Resources, costs and risks

All costs and resource are detailed in the Full Business Case, and are for a ten year period.

The benefits that the Council have signed off as being achievable are £2,9m. After both Capita and Council costs, this provides an overall saving for the Council of £978k (based on MRP).

The savings derived from the re-negotiation of the current fleet hire arrangements will be submitted as a separate Benefit Card once they are confirmed. These savings are therefore not presented within the Full Business Case (FBC), although they were included within the Outline Business Case. The rationale for this is that the Benefit Card aligns to a strategic procurement exercise, while the business case represents service optimisation through an increased efficiency of operation.

A full risk analysis is contained with the Full Business Case, but key risks have been highlighted as:

- The introduction of Personalised Budgets could signal a dramatic tail-off in useage of the SNT service;
- Adults Services estimation of future demand may not be purchased by users;
- The current service is so well regarded that any changes will be viewed badly, and poorly represented by local and national media.

2.8 Staffing/workforce

Development and delivery of the project will be provided by Capita.

The impact of development of the solution, and training, on Harrow staff has been detailed, and assumed within the overall cost of the programme. This will ensure that sufficient budget is available to backfill posts where required, and for the central Harrow Programme Team.

Staff have been engaged in the review leading to the recommendations, and will continue to e involved in the development and implementation of the solution.

2.9 Equalities impact

Any changes for staff will be dealt with under the Council's Protocol for Managing Organisational Change, which has been equality impact assessed.

The project aims to improve user satisfaction through improved vehicles and comfort. A draft impact assessment has been completed during scoping and a full impact assessment will be completed during the project. This identified minimal risk in this area, and sufficient controls will be in place to ensure appropriate mitigation if required.

Any changes to the service will be subject to full consultation with the service users.

2.10 Legal comments

The programme has been progressed under the auspices of the Business Transformation Partnership. Outline and Full Business cases have been agreed, in line with contract requirements.

2.11 Financial Implications

The capital programme for 2009-2010 includes the capital investment in SNT. It is anticipated that the revenue savings of £290k p.a. will be used to reduce the current overspend on SNT.

The Council has reviewed the business case and compared the costs presented by Capita against the costs of delivering In house.

The Council has full visibility of the Financial Model based on the open book principles of the original Partnership contract, this includes full visibility of third party supplier costs and the Capita margin and overhead.

The deal as presented by the SNT project is in line with the Incremental Strategic Partnership.

Benefits will be tracked using the BTP's established benefits management process involving the use of signed benefit cards, and monitored by the Director of BTP and Customer Services and the Director of Finance.

2.12 Environmental Impact

Special Needs Transport for adults and children accounts for approximately a quarter of the council's carbon dioxide emissions from its fleet operations. Optimising routes should mean a reduction in emissions and help the council deliver its climate change strategy.

NI 185 measures the carbon dioxide emissions from council operations and this proposal should help to deliver reductions in this area. However there is a risk that emissions will be transferred from the council to the general population and this could make delivery of NI 186 – per capita emissions of carbon dioxide in the borough, more difficult. However the effect is likely to be marginal.

When procuring a new fleet, overall fuel efficiency should be an important consideration to ensure that the procurement contributes towards the council's climate change strategy.

2.13 Performance

Indicator	Current Performance	Impact
Flagship Actions		
	Not Applicable	Not Applicable
Place Survey		
	Not Applicable	Not Applicable
Value for Money Profiles		
	Not Applicable	Not Applicable
CPA Block Indicators		
	Not Applicable	Not Applicable

Section 3 - Statutory Officer Clearance

Signature:

Name: Steve Tingle

on behalf of the*
Chief Financial Officer

Date:

Signature:

Name: Hugh Peart

on behalf of the*
Monitoring Officer

Date:

Section 4 – Performance Officer Clearance

Signature:

Name: Tom Whiting

on behalf of the*
Divisional Director
(Strategy and
Improvement)

Date:

Section 5 - Contact Details and Background Papers Section 4 – Performance Officer Clearance

Signature:

Name: Andrew Baker

on behalf of the*
Divisional Director
(Environmental
Services)

Date: 24 July 2009

Contact: Carol Cutler

Background Papers:

SNT Outline Business Case

SNT Full Business Case

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Section 6 - Contact Details and Background Papers

Contact: Carol Cutler, Director of Customer Services & BTP,
Ext: 6701

RFID Cost/Benefit Presentation

Signature:

Position: Director of Customer Services & BTP

Name (print) Carol Cutler

Date: 23rd July 2009

For Portfolio Holder/Leader

- * I do agree to the decision proposed
- * I do not agree to the decision proposed
- * Please delete as appropriate

Notification of personal interests (if any):

(Note: if you have a prejudicial interest you should not take this decision)

Additional comments made by and/or options considered by the Portfolio Holder

Signature:

Portfolio Holder

Date: