

Environment
Islington Town Hall
Upper Street N1 2UD

Report of: Executive Member for Environment, Air Quality and Transport

Meeting of: Executive

Date: 9th February 2023

Ward(s): All wards

Subject: Procurement Strategy for the Taxi and Attendant Service Framework Agreement

1. Synopsis

- 1.1. This report seeks pre-tender approval for the procurement strategy in respect of the taxi and attendant service in accordance with rule 2.8 of the Council's Procurement Rules.
- 1.2. The Accessible Community Transport Service manages the in-house service for children with special educational needs and disabilities (SEND) to Islington Special schools and colleges and Adults to Day Centres for the elderly and other Specialist Centres. The in-house service consists of 130 full, part time and agency staff and 40 large buses and mini-buses.
- 1.3. Accessible Community Transport also manages the existing taxi framework for the Council which provides vehicles and passenger assistants supporting individual children and groups of children attending out borough education provision and those children attending Islington schools, unable to travel with others.
- 1.4. The taxi framework also supports adults with learning difficulties attending out borough specialist centres as well as being utilised cross Council for out of hours work and in support of all residents.

2. Recommendations

- 2.1. To approve the procurement strategy for the Council's Taxi and Attendant Service as outlined in this report.

- 2.2. To approve to delegate the award of the contract to the Corporate Director Environment following consultation with the Executive Member for Environment, Air Quality and Transport.
- 2.3. To note that the service will be administered by the Accessible Community Transport Service in partnership with the London Borough of Camden and the City of London Corporation.
- 2.4. Regular SEND taxi rounds, will, wherever, possible, be shared between Islington, Camden and the City of London to reduce overall costs. The first shared round commenced in September 2022 and is saving each Council £36,000 per annum. This strategy should reduce the impact of significant increases in taxi costs across the three Council's.
- 2.5. To agree this procurement strategy to provide taxi and attendant services and to reduce reliance on taxis over the life of this framework through the increase in personal travel budgets, travel buddy's and independent travel training.

3 Background

3.1 Nature of the service

- 3.1.1 In line with legislative guidelines, not all children and young people with SEND are eligible for transport assistance. 30% of children with an EHCP currently receive transport assistance; this equates to approximately 495 out of a total 1650 children. On average, 14% of all applications for transport are deemed not eligible.
- 3.1.2 Like many other boroughs, Islington has its own in-house Accessible Community Transport service using an in-house fleet of vehicles and staff. The team, which sits within E&R, is commissioned by Pupils' Services and by Adult Social Care, to provide transport for SEND and Adult Social Care clients respectively.
- 3.1.3 The in-house service provides larger buses over fewer routes to the three main Special Schools, Colleges and satellite sites in Islington. The in-house service for 316 SEND students had a net cost of £2.5 million in 2021/22 which includes £400,000 of income from curriculum work with mainstream schools, support provided to voluntary organisations at weekends and holiday periods, and other recharges. There is also expenditure of £165,000 for Management and Administrative costs,
- 3.1.4 The table below shows the number of pupils with SEND receiving transport assistance.

Education Transport (SEND)	2019	2020	2021	2022
In House Buses (ACT)	304	303	309	316
Personal Travel Budgets	41	69	101	86

Travel Training (16-25 year olds)	0	0	2	12
In House Passenger Assistants (walking)	5	4	4	4
TOTAL	350	376	416	418

3.1.5 The adult element of the in-house service, transporting between 100 and 150 adults to Day Centres, had a total spend of £800,000 which included £127,000 of Management and Administrative costs. This is set out in the table below.

Transport for adults with learning difficulties attending specialist centres	2019	2020	2021	2022
In house buses (ACT)	150	100	100	100

3.1.6 There is currently a framework agreement in place (procured in collaboration with Camden Council and City of London Corporation) which the Council is utilising to compliment the in-house service. There are currently six taxi providers on the framework agreement covering seven different lots of different types of need.

3.1.7 The table below shows the number of Taxis spot purchased via the framework contract between 2019 and 2022.

Spot Purchased Taxis (Framework contract)	2019	2020	2021	2022
Education Transport (SEND)	109	119	122	117
Specialist Adult Centres	5	5	5	5

3.1.8 The cost of spot purchasing taxis from the framework for 2021/22 was £2.1 million for education (SEND) and £66,000 for specialist adult centres. The high cost of taxis is due to the number of individual routes and vehicles required and the limited number of passengers in each vehicle, most of whom require a passenger assistant to accompany them.

3.1.9 Islington Council, Camden Council and City of London Corporation are seeking to work in collaboration to establish a new framework agreement with multiple providers to provide taxi and passenger attendant services.

3.1.10 The present contracts for this service expire on 31 August 2023.

3.1.11 The three boroughs are looking at options to increase joint working with shared taxi rounds for both in-borough and out of borough provision. It is anticipated that having shared rounds will enable costs to be split between boroughs and will also have environmental benefits with fewer vehicles servicing the same number of service users. The first shared round between Camden and Islington commenced in September 2022 which has already produced a net saving of £36,000.

3.1.12 The proposed framework agreement will have a number of different lots:

- Lot 1 Taxi and Attendant Services (including Saloon and Multi-Purpose Vehicles

(MPV))

- Lot 2 Taxi and Attendant Services (including Saloon and MPV - Wheelchair accessible)
- Lot 3 Minibuses
- Lot 4 Minibuses with Attendant Services (Wheelchair accessible)
- Lot 5 Ambulance Transportation
- Lot 6 Ad Hoc Services
- Lot 7 Non-Recurrent Transport Services

3.2 Estimated Value

3.2.3 Taxi services across the Council are funded through departmental revenue budgets. Management of taxis for home to school transport are funded through Children's Services, which commissions the Accessible Community Transport service. Taxis for adults attending specialist centres are funded by Adult Social Care and are also managed by the Accessible Community Transport Service.

3.2.4 The expenditure on taxi and attendant services for special educational needs and disability (SEND) children and young people aged 5 to 25 has increased significantly between the commencement of the contract in 2019, when the spend was £1.6m, to a spend in the financial year 2021/22 of just over £2m (Lots 1 to 4). This has been due to more individual taxis, being required for children and young people to schools outside the borough, children with high medical or other needs that prevent them travelling with other students and additional satellite sites to some of the borough's main special schools.

3.2.5 The spend for transporting individual adults to day centres and adult training centres is approximately £66,000 per annum (Lots 1 and 2). Expenditure for regular and emergency travel from all council departments through the online booking system for lot 6, Ad hoc bookings, including the Council's Covid 19 response was approximately £300,000 in 2021/22. Included in this expenditure is the use of ambulances in Adult Social Care in Lot 5.

3.2.6 Breakdown of expenditure by Department 21/22

Accessible Transport	£2,080,000	Children's
Accessible Transport	£67,000	Adults
Children's Services	£229,000	
Contact Islington and Covid Response	£50,000	
Adult Social Care	£36,000	
Registrars	£10,000	

Housing	£4,000	
Other Departments	£2,200	

3.2.7 It is anticipated that the total value over the four-year period of the new contract will be between £10 million and £12 million, if the level of service remains the same taking into account higher cost of living and fuel prices since the commencement of the existing Framework which commenced in 2019. The expenditure for Camden is estimated to be £18 million, with the expenditure on taxi services in the City of London Corporation estimated to be £500,000, reflecting the small number of SEND students in the City.

3.2.8 The largest element of the current expenditure is for home to school transport. Further work is being undertaken to progress opportunities for shared rounds between the three boroughs for the new framework agreement. Other elements to reduce the dependency on taxis are:

- Personal travel budgets and independent travel training which will continue to increase, especially in the area of Post 16 education
- Bringing some taxis in house. This would necessitate a substantial capital investment for vehicles, facilities for parking and charging as well as revenue costs for additional staff, maintenance and repairs as detailed in the Options appraisal accompanying this report at appendix 2.

3.2.9 Islington's Pupil Services have reviewed transport eligibility for students and have increased the number of personal travel budgets offered to parents, as an alternative to school buses or taxis administered through this framework from 41 in 2019 to 87 + in 2022. .

3.2.10 A personal travel budget is only agreed if it is cheaper than if these students were transported on taxis provided through the framework. The saving through the use of personal travel budgets has been closely monitored and is currently at £750,000 in 2022. Additional savings on taxi services will be made as the number of personal travel budgets continues to rise.

3.2.11 The table below shows a sample of 10 personal travel budgets to help illustrate the comparative costs and savings.

Education setting	Distance (miles)	How is it being used	Personal travel budget	Comparative cost of bus or taxi
The Holmewood School	6	Taxi/UBER and tube fare	£10,994.10	£23,560.00
The Garden School	3	Petrol contribution with escort	£9,165.00	£25,088.00
Oaklands College	20	UBER	£12,480.00	£54,600.00
Dame Alice Owen	11.9	3 days train, 2 days fuel for car	£2,004.80	£32,000.00
Barnet & Southgate College	7	2 hours Support Worker per day	£5,016.00	£8,000.00

Capel Manor College	7	Taxi, 3 days per week	£8,554.58	<i>£21,000.00</i>
Totteridge Academy	6.5	Travel card for mum	£1,595.10	<i>£22,000.00</i>
Swiss Cottage	3	Childminder, 3 days per week	£3,510.00	£16,000.00
Fortismere School	3	TfL bus pass for parent	£908.70	£16,380.00
The Bridge Primary	2.4	Zip Car hire costs	£2,204.00	<i>£5,000.00</i>
		Total	£56,432.28	£223,628.00

3.2.12 A programme of Independent Travel Training (ITT) has commenced in this financial year, with four students fully trained and travelling independently with a further ten students on the ITT programme and it is envisaged that they will be able to travel independently by April 2023. There will be a further expansion of this programme with additional trainers commissioned by Pupil Services. The greatest benefit of this, is for the students to be independent, with improved life skills but it will also have an impact on reducing either individual taxis or taxis, where a number of students presently travel together. Longer term benefits should lead to a reduction of future costs to the Islington Learning Disability Partnership team and Adult Social Care. This will also have environmental as well as financial benefits.

Benchmarking on in-house transport and taxi services for SEND has been carried out through London Council's and most London Boroughs are experiencing increases in spend and higher numbers of students in this area. There are also concerns over recent fuel cost increases as well as the general increases in the cost of living, which may have an impact on future taxi contracts. It is difficult to compare Islington with other London Boroughs as transport services are managed in different ways by different local authorities. Some services being completely outsourced, whilst other have a combination of in-house and external providers. Islington had the 9th lowest spend on external transport services (taxis) out of 26 boroughs that participated in the benchmarking exercise.

The vast majority of costs for this service are associated with home to school transport. Safeguarding of children and adults is a priority for all councils and the proposed contract continues to include a robust monitoring system for all those who come into contact with service users and their families in the undertaking of their duties. Providers will be required to meet the safeguarding standards for both children and vulnerable adults which will be assessed as part of the tender.

3.3 Timetable

3.3.1 It is anticipated the new framework agreement will be advertised by February 2023, with new contract arrangements commencing on 1 September 2023.

3.3.2 The three participating boroughs each have different governance procedures to follow for the approval to proceed with the procurement, and the award the contracts. The provisional timetable (subject to approval from all three boroughs) is:

Approval of strategy February 2023

Advertise opportunity	February 2023
Evaluation of tenders	April 2023
Award of contract	May 2023

3.3.3 Parents and service users will be consulted on the new contract arrangements from November 2022. Parents will be kept fully informed and written to at least twice before any changes, as a result of the new framework agreement are implemented. Introductory meetings will also be offered with new providers and or attendants before the commencement of the new term. It is hoped this will provide reassurance and facilitate a smooth transition for service users. Any issues or complaints will be dealt with, sensitively and professionally by the Community Transport Manager.

Meetings will also be arranged with the Centre 404 Parents Forum and support groups for adult users. The Council will involve all relevant organisations in the pre-tendering and tendering process and will ensure that service user's needs are fully considered in the final specifications.

3.4 Options appraisal

Insourcing: The Council already has an in-house Accessible Community Transport service consisting mainly of large buses supporting Islington Special Schools and Day Centre provision. Bringing parts of the taxi framework in-house had been considered but found not to be financially viable. The capital costs of purchasing new vehicles at £30,000 per saloon, MPV and £180,000 for an accessible mini-bus and ongoing revenue costs for additional management costs and staffing would require significant investment totalling £3 million in capital and £3 million in revenue costs.

- 3.4.1 The option of utilising an existing third-party framework agreement has been assessed. This could offer a similar breakdown of lots, and standard terms and conditions but would also lead to similar costs.
- 3.4.2 The option of moving from a framework agreement model to a Dynamic Purchasing System (DPS) has also been considered. Although the DPS would allow an element of flexibility and allow new providers to be added to the DPS at any time in the period of the contract, this also incurs more administrative overheads. There would be initial costs for the system and licences of approximately £50,000. The recommendation is therefore to set up a new framework agreement for a fixed, four-year period
- 3.4.3 The option of jointly procuring a new framework is the recommended option. This will help to support local spend and local suppliers. The three boroughs have agreed that setting up a new framework agreement is the preferred option. It is also anticipated that the three council's will be able to obtain more competitive pricing from local providers. Procuring a new framework means the councils are not constrained by predetermined award criteria. The criteria that will be set reflect the things that are most important to the three boroughs. Bespoke terms and conditions will also be used to support priorities such as payment of the London Living Wage.

- 3.4.4 In order to address some of the issues with the current framework agreement it has been proposed that the framework may include smaller providers to provide ad hoc/additional work when required which will could potentially help with the capacity and range of suppliers.
- 3.4.5 Camden Council will be the lead borough through the procurement process but both Islington Council and the City of London Corporation will fully participate in the drafting of the specification and other tender documents, and all will be involved in the evaluation of tender submissions. It has been agreed that in order to ensure the best quality service, all three boroughs will hold regular joint contract management meetings.
- 3.4.6 The benefits of these joint working arrangements include shared taxi rounds, sharing audit information, highlighting any concerns and working in partnership to find resolutions. Having joint meetings should ensure continuity of service provision across all boroughs and give the councils more leverage with the providers.

3.5 Key Considerations

- 3.5.1 This service supports a number of the priorities for creating a Fairer Islington. Through this service we will be investing in local jobs and businesses to support a thriving local economy. Many of the drivers and passenger assistants employed by the providers will be residents of Islington and neighbouring boroughs. The providers on the framework agreement will be expected to advertise at least 75% of job opportunities for employment via the Islington iWork team and the equivalent teams in the other partner boroughs.
- 3.5.2 Through the use of more environmentally friendly vehicles and sharing rounds, the service will be supporting a cleaner, greener, healthier borough. All provider vehicles will be of a minimum, ULEZ compliant and the providers will also be required to provide in their submissions, their ongoing proposals on greening their fleets over the length of the framework.
- 3.5.3 All providers on the framework agreement will be offered training in “Making Every Contact Count” (MECC). This training will help drivers and assistants to have conversations with service users about different issues and challenges that they may be facing. These conversations may help to deliver additional support and advice or signposting to other council services and resources to help improve wellbeing.
- 3.5.4 Economic, social and environmental sustainability clauses will be built into the specification. Service providers will be asked to offer volunteering opportunities for local residents to gain a qualification which could support them to gain paid employment.
- 3.5.5 The London Living Wage will apply to all staff directly employed by the providers that successfully meet the criteria of the new framework.
- 3.5.6 Many of the drivers used by the providers that are successful on the taxi framework will be self-employed. It is not envisaged that TUPE arrangements will be required.

3.6 Evaluation

3.6.1 The tender will be conducted in one stage, known as the Open Procedure, as the tender is 'open' to all organisations who express an interest. The Open Procedure includes minimum requirements which organisations must meet before the rest of their tender is evaluated.

3.6.2 Taxi providers will be required to meet all quality and safeguarding standards. If these criteria are met, the contractors, submitted prices for the individual lots on the new framework, will be considered for the scheduled taxi rounds. As rounds change, due to school leavers or new clients, the providers will be asked to submit new bids to ensure prices remain competitive and work is distributed fairly

The proposed award criteria for Lots 1 to 6 are: price 65% and quality 35%, with the quality criteria further broken down:

- Safeguarding and dealing with challenging behaviour 15%
- Social value 15%
- Workforce management 2.5%
- Customer care 2.5%

The proposed award criteria for Lot 7 is: price 70% and quality 30%, with the quality criteria further broken down:

- Social value 15%
- Accessing Taxis/Booking system – 7%
- Workforce management – 3%
- Environmental Management – 4%
- Vehicle quality and arrival times – 3%
- Incident and Allegation Management Reporting – 2%

3.7 Business Risks

3.7.1 The main business risk associated with this procurement would be if there were an insufficient number of providers to fulfil the requirements of the three councils. A market engagement strategy is being developed in order to assess the market. Subsequently, supplier days may be organised to meet with the interested providers to discuss the proposed procurement and process.

3.7.2 Market engagement with local taxi providers has demonstrated that there is interest in this opportunity. It is envisaged that local providers will be able to meet the required criteria and through competitive procedures, the councils will be able to achieve value for money.

3.7.3 The cost of fuel is rising, therefore, there are increased budget pressures. It will be important to maintain tight control of the providers on the framework and to assess routes regularly.

3.7.4 There are a limited number of providers on the current framework which means the risk of potential provider failure would have a big impact on the service. In order to mitigate

against this, there will be an ongoing assessment of market share and the framework will maintain a wide range of travel options for service users

3.8. The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

3.9 The following relevant information is required to be specifically approved in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
1. Nature of the service	<p>To provide taxi services for SEND transport, transport for vulnerable adults and officer taxis.</p> <p>See paragraph 3.1.1</p>
2. Estimated value	<p>The estimated value per year is between £2.5 million and £3 million.</p> <p>The agreement is proposed to run for a period of four years.</p> <p>See paragraph 3.2.2</p>
3. Timetable	<p>As outlined in this report.</p> <p>See paragraph 3.3.1</p>
4. Options appraisal for tender procedure including consideration of collaboration opportunities	<p>Agreed joint working arrangement with Camden and City of London. Camden will lead on administration of pre- tender arrangements.</p> <p>Camden and City of London have agreed in principle to shared taxi rounds for SEND which may reduce costs.</p> <p>See paragraph 3.4</p>

<p>5. Consideration of:</p> <ul style="list-style-type: none"> • Social benefit clauses; • London Living Wage; • Best value; • TUPE, pensions and other staffing implications 	<p>Local people may be employed by the providers on the framework agreement.</p> <p>London living wage will be paid to salaried staff employed by the providers. Salaried staff employed by the providers will be able to join pension schemes operated by the providers.</p> <p>See paragraph 3.5</p>
<p>6. Award criteria</p>	<p>The proposed award criteria for each lot is outlined in this report..</p> <p>See paragraph 3.6</p>
<p>7. Any business risks associated with entering the contract</p>	<p>Limited number of providers meet criteria and required work cannot be met.</p> <p>To mitigate, the length of the existing framework could be extended.</p> <p>See paragraph 3.7</p>
<p>8. Any other relevant financial, legal or other considerations.</p>	<p>See paragraph 4.1.2, 4.2.2 and 4.3.2</p>

4 Implications

4.1 Financial Implications

- 4.1.1 The procurement is a joint procurement with Camden and the City of London. The Islington service is provided within the Environment department with costs recharged to Children's and Adult Social Services departments. The Islington service currently costs around £4.2m per annum with £2.1m of in-house costs and £2.1m of outsourced costs.
- 4.1.2 It is expected that the new contract will have an estimated value of between £2.5m - £3m per annum equating to £10m - £12m over the proposed 4 year life of the contract. The higher costs are anticipated due to rising demand for the service and also rising costs due to fuel and inflationary pressures.
- 4.1.3 There are a number of measures in place to reduce costs. A shared rounds service with Camden and the City of London introduced in September 2022 is expected to save each authority £36k per annum. Personal Travel budgets have increased from £69k in 2018/19 to £249k in 2021/22 saving over £750,000

compared to the cost of a bus or taxi from the framework. Independent Travel training will also decrease cost pressures from within the Adults Social Services.

- 4.1.4 These measures will help to mitigate against the increased cost pressures to reduce the recharge to the sponsoring departments.
- 4.1.5 The in-house option would require significant capital investment and the revenue implications would need to be costed and compared to anticipated contract costs. There are also service delivery limitations with pressures on parking space availability and pressure on charging infrastructure as the fleet electrification programme is rolled out.

4.2 Legal Implications

- 4.2.1 The total value of the proposed new Framework Agreement (LB Islington's share alone is estimated at £12m over the 4-year life of the new Framework Agreement from 1st September 2023) is above the threshold under the Public Contracts Regulations 2015 for "light touch" contracts and so an advertisement in Find A Tender for the proposed Open Procurement Procedure will ensure compliance with those Regulations and also with the council's own Procurement Rules.
- 4.2.2 This Report must be approved by a decision of the Executive, who do have power to delegate the award of the contracts under the new Framework Agreement to the Corporate Director Environment following consultation with the Executive Member for Environment, Air Quality and Transport, subject to any contract award(s) being considered best value for the council.

4.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030.

- 4.3.1 The main environmental impact of the Taxi and Passenger Attendant Service is the use of vehicles providing the service, which emit CO₂ and NO_x, adding to global warming and local air pollution. The vehicles also contribute to local congestion. As this is not a new service, these impacts have been in existence for some time.
- 4.3.2 Environmental Management will be considered in the tender process with proposed contractors being asked how they propose to green their fleet. Under the new contract, the impacts identified above will be mitigated by some of the existing contractors investing in new, cleaner vehicles to meet the ULEZ requirements, reducing their NO_x emissions. The increase in shared rounds and other methods of support to families, will also lead to a decrease in the overall number of vehicles on the road and help reduce congestion.

4.4 Equalities Impact Assessment

- 4.4.1 The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant

protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

- 4.4.2 An Equalities Impact Assessment was completed on 14 July 2022. The main findings are that this taxi framework will have a positive impact on some of the most vulnerable and in need residents and families in Islington. The full Equalities Impact Assessment is at appendix 1.

The tender process proposed will require tenderers to demonstrate their organisation's active awareness of equality and diversity issues surrounding the activities of their business as part of the selection stage. The award stage will include a specific quality question on equalities and diversity.

5 Conclusion and reasons for recommendations

- 5.1 It is recommended that the Council proceeds with the proposed strategy for the new taxi framework to commence in September 2023 in partnership with the London Borough of Camden and the City of London Corporation.

Appendices:

- Appendix 1 - Equality Impact Assessment.
- Appendix 2 - Options Appraisal

Final report clearance:

Authorised by:

Executive Member for Environment, Air Quality and Transport

Date: 26.1.23

Report Author: Ian Spencer – Accessible Community Transport Manager]

Tel: 07966 745 866

Email: ian.spencer@islington.gov.uk

Financial Implications Author: [Steve Abbott – Head of Finance]

Tel: 02075272369

Email: steve.abbott@islington.gov.uk

Legal Implications Author: Clive Sheldon - Senior Contracts Lawyer

Tel: 0207 527 2965

Email: clive.sheldon@islington.gov.uk