

Executive

4th December 2007

Report of the **Director of Housing and Social Services**

Transformation of Transport Services

Purpose of Report

1. The purpose of this report is to update the Executive on progress to date on the transformation partnership to improve City of York Council internal transport provision, improve service quality and make significant efficiency savings.
2. The report confirms that the project is on course and expected to produce in excess of £800,000 in gross savings over the life of the partnership with annual net savings of over £650,000 after that.

Background

3. A review of the community transport arrangements was undertaken between October and December 2006. This work was funded by a grant allocation from Local Government Yorkshire and Humber (LGYH) which was awarded jointly with East Riding of Yorkshire Council.
4. A report produced from the first phase of work, highlighted scope for significant efficiency savings and service improvements by re-organising the way the council operates its transport services for clients of Children's Services and Adult Social Care. The report highlighted some 'quick wins' that would get the performance transformation underway until a procurement exercise could be undertaken to find a long-term partner. The Council had been successful in obtaining grant funding from the Regional Centre of Excellence to improve transport efficiency both in house and in collaboration with the York Hospital Trusts and therefore this funding was used to fund some 'interim' work whilst the Council procured a 'transformation partner' (i.e. not a traditional consultancy arrangement but a partner who would work with the council to achieve real change). The interim work started in January 2007 and finished at the end of March 2007.
5. Following a competitive tendering exercise Kendric Ash (now Northgate Kendric Ash) were appointed as the council's transformation partner for a 30 month contractual period beginning in April 2007. The key aim of this approach is to provide the expertise and capacity to make the changes needed *and* to ensure that the council is able to sustain this improvement after the partnership comes to an end.

Area covered by the partnership

6. The partnership covers the delivery of both contracted and internally provided transport in the following areas:
 - a. Mainstream Home to school transport (primary and secondary)
 - b. Special Educational Needs Transport
 - c. Transport for 'looked after' children, 'share and care' and children in respite care.
 - d. Transport for adults with learning and physical disabilities

Governance structure

7. The main project sponsor is Bill Hodson, Director for Housing and Adult Social Services.
8. Strategic and Operational Steering/Project Boards govern the project a detailed explanation of roles and responsibilities is at Annex 1.

Operational Arrangements

9. The Northgate Kendric Ash (NKA) model is one based on providing additional capacity whilst managing change. In this instance this has included NKA providing a core change management team, of up to 6 staff members, working on site working alongside CYC employees. This additional capacity has centred on:
 - the provision of specialist procurement capacity with particular focus on taxi and bus contractual arrangements,
 - reviewing the internal fleet capacity and optimising utilisation,
 - the creation of an integrated transport function with a clear identity and strong working relationships across Council departments, with external partners as well as developing a robust performance culture within the transport team.
10. On a day-to-day basis Simon Wing is working within the council structure and is acting as the manager of the new integrated HASS/LCCS transport team – York Transport Provision. Managers from both HASS and LCCS support him in management terms on a daily and operational basis. From a project perspective he meets regularly (on a fortnightly) basis with Bill Hodson to discuss any pressing corporate issues, which might need support and action.
11. The long-term aim is to recruit a permanent member of staff to the position of service manager.

Key Work streams

12. **Passenger Transport Framework Agreement.** This was the key piece of work as it sets out the standards required by suppliers and gets them to give their best price. The OJEU procurement process was conducted May – September with the Framework agreement in place by 01/09/07. 33 preferred suppliers were selected to be part of

the framework partnership - a reduction of suppliers from 60. A 'price per mile' approach was adopted which has, to date, secured 20% savings on new routes. The majority of savings will materialize in 2008 with the re-issuing of Special Educational Needs transport for Applefields/Hobmoor Oaks Schools. Operationally we will also have tighter control over performance and quality issues through the agreed quality standards. There are regular quarterly reviews with providers and regular 6 monthly customer surveys and feedback, which will feed into annual reviews with providers.

13. **Home to School transport.** A fresh approach was adopted to procuring school routes. Rather than individually tendering single school routes we are aligning all contracts on a school-by-school basis and then re-tendering all routes on a whole school basis. The first school to go through the process was Tadcaster Grammar School in July 2007. The initial results of the process have been extremely promising. Financially the process has resulted in a £10k a year saving on a like for like provision. The successful company is K&J Travel.
14. From a qualitative perspective through re-routing the number of vehicles being used and accessing the school car park have reduced. The control and management of the contract is much improved as we are now dealing with one point of contact rather than four. During the process bidding companies were asked to provide costed options to include seatbelts, CCTV and more environmentally friendly vehicles. However, given the additional costs (c£30k) to provide these facilities it was decided to award the contract based on a like for like option. It is worth noting that experience from the project to date has indicated that as we adopt this partnership approach to working with bus operators, the benefits of improved EURO emission style engines and the provision of seat-belted vehicles are likely to happen as a matter of course/service development – this as a result of other government/transport sector legislation.
15. Initial feedback from the School is that the new arrangements are very successful and it is proposed that other contracts would be tendered in a similar fashion. A customer satisfaction survey was issued to parents/carers on 12 October 2007 – feedback will be shared with the school/K&J Travel as well as customers and be used to continually improve the service.
16. Next year (2008) Fulford and Manor Secondary School bus contracts are up for renewal. The Strategic Steering Group will adopt a similar approach to procuring these contracts.
17. In addition primary school routes to Archbishop of York's Primary, Bishopthorpe Infants, Poppleton Ousebank Primary School, St Wilfred's RC Primary require re-tendering in 2008. The Strategic Steering group will consider the requirement for seatbelts on these routes and the potential to strategically source a provider in the same way as Tadcaster School bus routes were procured.

18. Members will recall that as part of the Scrutiny report on Home to School Transport (considered by the Executive in 25/4/08) a recommendation was made concerning the installation of seatbelts, CCTV and the use of environmentally friendly engines. The Executive instructed officers to address this issue as part of this review and accepted that it may be necessary to phase in new contract requirements over a period of time to allow for any necessary conversions to be undertaken and for funding sources to be found. As can be seen in paragraph 13 above there are positive signs that these improvements will be delivered as part of the new contractual framework and that some will become standardized rather than being 'add ons' that have to be paid for separately. The Scrutiny Committee were particularly concerned about transport to primary schools and it is understood that the provider for St Mary's Primary has changed the service delivery from being part a standard bus service to being a dedicated primary school route – with a fully seat-belted vehicle. The project is proposing that all primary routes be aligned and seatbelts stipulated as core requirement of the service provision.
19. **Applefields School.** A collaborative project between Applefields (SEN) School and the Council to utilize existing school transport to carry pupils to and from school started in September 2007. This has involved the recruitment of 2 drivers and escorts employed on a term time only basis who use two of the existing school minibuses to transport 11 pupils. The school identified the pupils as those children who were most able to accept a change of this nature and who live near each other. The results have been very positive. It has meant that contracts that had previously been awarded to private taxi operators are now being delivered jointly by the School and Council. Prior to the new arrangements commencing all parents/children were met and introduced to the new drivers and escorts. The effort and time to meet with parents/children was very well received and ensured a smooth transition from previous arrangements.
20. **Brunswick Organic Nursery/Greenworks project.** A project to utilize the use of internal fleet vehicles and staff to transport workstep clients to Brunswick Organic Nurseries and Greenworks. This project has resulted in contracts that had previously been awarded to private taxi operators are now being delivered by the internal HASS fleet.
21. **Pool cars.** A number of pool cars are still leased by the council for staff for use in their duties. There is capacity to maximize value for money by using the frameworks agreed by the Office of Government Commerce Buying Solutions and by partnership with other public bodies. This will be pursued whilst an appraisal continues of the changing needs that the move to the new civic centre in 2010 will bring.
22. **Carbon Management.** The project is a core component of the Corporate Carbon Management Program. Initial baseline information collated throughout September has indicated that both the internal fleet and contracted transport contribute to a total SEN/HASS annual mileage of c900,000 miles. Through improved utilization of the internal

fleet, the reduction of taxi usage, use of the 'walking escort scheme', the stipulation for more environmentally friendly engines/and reduced Co2 emissions in all procurement exercises the project has targeted an overall reduction in Co2 emissions of 20% for the life of the project.

Outstanding issues

23. **Dial & Ride.** We want to work in partnership with the Dial & Ride service to make more use of the vehicles and become part of an integrated community transport service. There has recently been positive contact with the York Wheels Management Board meeting on this.

24. **Regional aspects.** Co-operation between regional partners (i.e. East Riding and Yorkshire Ambulance Service) is an important component of the overall project. A collaborative transport group with regional Community Transport representatives from CYC, ERYC, YAS, York Wheels and Goole Community Transport meet on a 3 monthly basis to consider ways in which community transport can be utilized and how organisations can work together in partnership. Key areas of activity to date have been; identifying better ways of working with the potential Criminal Records Bureau portability requirements for drivers and escorts between neighboring authorities and establishing agreed regional common training requirements/standards for community transport drivers and escorts. Initial collaborative working initiatives between CYC and YAS have been established and YAS has been included as a partner on the Taxi Framework. In addition, a pilot scheme of providing vehicles/drivers during peak times for YAS was set up in July. The next collaborative transport meeting is scheduled for January 2008.

25. **Future organisational home for the transport team.** Ensuring that the transport team/operation is sustainable post the end of the project is a key success measure for both Northgate Kendric Ash and CoYC. It is important that transport is housed/located in the most appropriate directorate, which will accurately reflect and support the transport requirements and activities. This is currently being evaluated with the main choice being between a location in a central department supplying support services or in one of the two main departments that use the transport services.

Consultation

26. Contact with unions, staff, service providers, customers and families has been a core element of the project. Consultations have been undertaken with staff, unions, service providers, customers and families prior to any proposed changes and feedback is continually sought.

27. Visits have been made to the homes of all children and families affected by the Applefields School changes. An open evening was held in Applefields School on 16th July for all parents to comment on proposed changes.

28. Visits have been made to BON to explain to all clients the new transport arrangements. Two open forum meetings were held on 9th and 11th June for parents/carers of clients affected by changes.

29. Customer satisfaction surveys have been sent out all parents with children transported to/from Applefields and Tadcaster Schools. All feedback will be analysed and shared with parents/school and operators. It is planned that a full program of satisfaction surveys will be rolled out across all schools throughout the year.

Financial Position

30. The outturn position for 2006/7 indicates that the combined transport budgets covered by this review were overspent by c£150,000. This is the baseline position against which performance from the partnership will be measured.

31. A table indicating outturn for 2006/7 against budgets for 2007/8 is below;

Transport Project Outturn 06/07 v Budget 07/08		
Department	2006/07 Outturn	2007/8 Budget
LCCS		
SEN Transport		
Danesgate		
Respite & Sharing Care		
Denominational Transport		
SEN Post 16		
YILTS		
Eligible Mainstream Transport		
Discretionary Transport		
Looked After Children		
Section 34		
Section 17		
Staffing		
LCCS Net Expenditure	£2,786,497	£2,690,650
HASS		
Staffing		
Vehicles		
Expenses		
Pool cars		
Taxi expenditure		
HASS Net Expenditure	£783,427	£731,490
CITY STRATEGY		
Dial a Ride		
Pool Cars		
Taxis		
City Strategy Net Expenditure	£113,400	£113,500
Total Baseline Spend	£3,683,324	£3,535,640

32. The key areas of overspend were;
 a. Discretionary Transport - c£60,000

- b. Looked After Children - c£15,000
- c. SEN Transport - c£24,000

NKA performance from 1st April 2007

33. Detailed below are the key activity areas addressed and actual savings achieved by the project since April 2007 combined with projections for 2008/09 and 2009/10.

Activity Area	2007/08 Savings	2008/09 Potential Savings	2009/10 Potential Savings	Total Potential Savings
Taxi Procurement	£60,000	£244,000	£26,666	£330,666
Home to School Transport	£10,000	£33,333	£7,500	£50,833
SEN School Transport	£25,000	£14,285		£39,285
BON/Greenworks	£38,300	£7,660		£45,960
Whole Fleet Utilisation	£23,000	£30,000	£5,000	£58,000
Eligibility Reviews			£50,000	£50,000
Independent Travel Project			£40,000	£40,000
Fleet review			£33,000	£33,000
Section 19 Fuel rebates			£10,000	£10,000
Early Years Children			£5,000	£5,000
Annual Base Savings	£156,300	£329,278	£177,166	£662,744

34. The savings profile indicates that in Year 1 of the project base savings of £156,300 will be achieved. In Year 2 base savings will be £329,278 and in Year 3 an additional potential saving of £177,166 savings will be realized. Therefore, at the end of the partnership combined annual potential base savings will be £662,744.

35. It is again worth noting that in establishing the financial baseline position it has become evident that transport budgets are overspending by c£150,000.

36. In addition, to the base savings identified above, work is already progressing in other key areas as identified in the original phase 1 review undertaken by NKA. Once fully realized, over the lifetime of the partnership, it is expected that overall savings will be significantly higher than those quoted above. Current estimates indicate that the final gross savings, net of NKA fees will be in excess of £800,000.

37. It is also worth noting that a transformation project of this nature creates fairly lengthy lead times for the improvements to impact and embed themselves across the services. This is reflected in the savings profile with the majority of savings being generated in Years 2/3. As well creating financial savings, the project will have significant qualitative outcomes in terms of customer satisfaction, improved performance, a reduction in vehicle miles and the associated reduction in Co2 emissions.

Corporate Priorities

38. The project reflects many of the council objectives and priorities, and many of the actions related to council objectives and initiatives. Specific links can be made to the following:

Outward facing

- ❑ Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city
- ❑ Improve the health and lifestyles of the people who live in York, in particular among groups whose levels of health are the poorest.
- ❑ Improve the use of public and other environmentally friendly modes of transport

Improving our organisational effectiveness

- ❑ Improve efficiency and reduce waste to free up more resources
- ❑ Improve our focus on the needs of customers and residents in designing and providing services
- ❑ Improve the way the Council and its partners work together to deliver better services for the people who live in York

39. Other Implications

Human Resources (HR)

None arising specifically from this report.

Equalities

None arising specifically from this report.

Legal

There are no immediate implications to report.

Crime and Disorder

There are no immediate implications to report.

Information Technology (IT)

None arising specifically from this report.

Property

None arising specifically from this report.

Other

None

Risk Management

40. This is embedded within the project framework and is reported to the Strategic and Operational boards as necessary.

Recommendations

41. That the Executive notes the progress on this project and comments on the contents of the report.

42. That a further report be brought back to the Executive in 2008.

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Report Approved **Date** 19thNovember 2007

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Report Approved **Date** 19thNovember 2007

Specialist Implications Officer(s)

None

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers: None