

Forward Plan reference number: FP/353/03/22

Report title: Adult Social Care Transport Arrangements for 2022 to 2024	
Report to: Cllr Spence, Cabinet Member for Health and Adult Social Care	
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Date: 20 th May 2022	For: Decision
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County Divisions affected: All Essex	

This report includes a confidential appendix which is not for publication by virtue of paragraph 3 of Schedule 12A to the Local Government Act 1972.

1. Everyone's Essex

- 1.1 Everyone's Essex sets out our strategy for a strong, inclusive, and sustainable economy, a high-quality environment, health, wellbeing and independence for all and for making Essex a good place for children and families to grow.
- 1.2 This proposal, relating to transport for eligible Adult Social Care (ASC) clients, supports one of Everyone's Essex's commitments, to help vulnerable people to live independently and to live a life which is meaningful to them.
- 1.3 In addition to making Essex a good place for children and families to grow, the proposal in this report supports the Council's carbon neutral agenda. This transport delivery clustering of journeys is expected to result in fewer vehicles on the road, less mileage travelled, avoidance of unnecessary fuel consumption and subsequent reduction in carbon emissions and road congestion.
- 1.4 The proposal promotes the use of minibuses rather than cars to minimise the number of vehicles on the road and to avoid road congestion and unnecessary carbon emissions.
- 1.5 In order to qualify for the bidding process, operators will already have been subject to a number of quality checks such as safeguarding policies and environmental standard checks.

2. Recommendations

- 2.1 To agree to procure eight new ASC transport contracts for 24 months from 1st August 2022 to 31st July 2024 using Essex County Council's Dynamic Procurement System at an estimated cost of £3.2m.
- 2.2 To agree that the new contracts will be awarded on a 100% price basis (see paragraph 3.11) following a single sealed bid on the Dynamic Procurement System.
- 2.3 To agree to delegate approval of the winning bidders and of award of contracts to the Executive Director for Adult Social Care.

3. Background and Proposal

- 3.1 Essex County Council (the Council) has a statutory responsibility under the Care Act 2014 to provide transport to ASC clients who meet the eligibility criteria and are unable to access and use mainstream public transport.
- 3.2 There are currently 638 adults requiring transport in Essex. Approximately 60% of Adult Social Care (ASC) transport contracts are delivered through 21 contracts with providers on behalf of ECC. The remaining 40% of services are delivered by ECC's in-house transport provider Ugobus and these arrangements will continue until 2024.
- 3.3 20 of the contracts with external providers expire on 31st July 2022. It is intended that one remaining contract be extended until 31st July 2023. This extension will be subject to separate governance. Expiry of this contract will align with other ASC transport contracts.
- 3.4 It is proposed that ECC procure eight new contracts for 24 months from 1st August 2022 using ECC's Dynamic Purchasing System. These contracts will provide eligible ASC clients with transport to and from local day centres and other agreed destinations. The eight contracts will replace the 20 existing contracts.
- 3.5 In preparation for the proposed procurement, the Council has carried out a desktop review of locations where current ASC clients accessing transport reside and of their transport destinations. This review identified groupings of journeys and informed new groupings of areas of journeys. The council has identified eight groups based on geographical location that will be used for the procurement exercise. These eight groups cover all of the services offered by the 20 existing contracts.
- 3.6 The new contracts will provide operators with greater flexibility to co-ordinate their drivers and journeys, which is expected to result in improved journey times for ASC clients and experiences for individuals and families, reduced carbon emissions and best value.
- 3.7 The eight contracts will offer a dedicated transport operator serving each borough/district and provide continuity for passengers, families, carers and day centre providers.

- 3.8 It is proposed that the contracts are procured for a 24-month period. This period will provide sufficient time for the Council to plan for and run a new procurement exercise for replacement services. In order to inform the new services, the Council will undertake an exercise to:
- 3.8.1 Monitor and review current arrangements for value and quality.
 - 3.8.2 Hold focus groups with the market, to gather case studies and insight into outcomes/experiences for adults, current carbon emissions, vehicle types and the market approach to introducing electric vehicles in the future.
 - 3.8.3 Undertake a strategic review of transport in conjunction with corporate and ASC strategy, including the carbon neutral agenda and day opportunities future direction.
 - 3.8.4 Ascertain projected need and demand for passenger transport.
 - 3.8.5 Develop a transport commissioning and procurement plan that further reduces carbon emissions and promotes quality, social value, progression and enablement as well as best value.
 - 3.8.6 Develop and agree a future procurement model to support future commissioning intentions for ASC. This will be used to seek to further reduce carbon emissions and improve quality, client experience and social value.
- 3.9 The proposed procurement activity will be undertaken using the Council's DPS. The DPS provides the Council with access to 45 transport operators. They have passed mandatory checks to deliver ASC transport and would be eligible to bid for new contracts under Lot 3 for Adult Social Care.
- 3.10 The procurement will be undertaken using a single sealed bid process. and will be awarded based on 100% price. This is in line with the provisions of the DPS.
- 3.11 In order to be admitted to the DPS system and qualify for the bidding process, transport operators will have already been subject to a number of quality checks such as safeguarding policies and environmental standard checks. Quality assurance processes are in place, which include on-going monitoring quality checks for transport operators. Transport vehicles are also required to have licences in place which are issued by their local district/borough Council.
- 3.12 As part of the procurement process, transport operators will be required to provide route information for each prospective ASC passenger as part of their submissions. This requirement allows the Council to ascertain capacity and how delivery would be achievable at the required levels.
- 3.13 The price evaluation model will take account of changing costs during the contract period as requirements for transport are subject to change.

3.14 Depending on the capacity and ability of the provider(s) to deliver the required number of journeys, some providers deliver the transport services themselves and some have sub-contracting arrangements. It is anticipated that providers may wish to have the option to continue sub-contracting arrangements for the eight new contracts.

3.15 Several risks have been identified in relation to market stability and procurement. These include:

- The financial impact of COVID-19 and the risk of operators exiting the market;
- Challenges with driver recruitment and retention;
- Challenges with the timely sourcing of vehicles due to manufacturing having been impacted by COVID-19 and Brexit and waiting lists;
- Higher fuel costs.

Further information on the risks and the proposed mitigations is outlined within the Confidential Appendix.

3.16 The market will be informed that TUPE may apply to the procurement of the eight new contracts.

3.17 Formal consultation is not required for changes to the groupings of the transport routes. Before the new contracts commence, communication will be undertaken with everyone currently accessing ASC transport and their families. The Council will write to each individual/passenger, as well as to each day centre provider and other relevant centre/venue, to inform them of the new contract arrangement. They will be notified of the transport provider and contact details.

3.18 Each transport operator will be required to contact each individual/passenger and their families and the day centre or other place that they attend, to introduce themselves, check and confirm travel arrangements and answer any queries. Introductions are arranged in person where required.

4. Links to our Strategic Ambitions

4.1 This report links to the following aims in the Essex Vision

- Enjoy life into old age
- Strengthen communities through participation
- Connect us to each other and the world

4.2 Approving the recommendations in this report will have the following impact on the Council's ambition to be net carbon neutral by 2030:

- Enable ECC to continue to provide passenger transport provision wherever possible and to reduce the need for individual and multiple smaller vehicles, resulting in reduced volume and congestion across Essex roads and reduced negative impact on the environment.

4.3 This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':

- A strong, inclusive and sustainable economy
- A high-quality environment
- Health wellbeing and independence for all ages

5. Options

Option 1- Do nothing: (not recommended)

- 5.1 Under the Care Act 2014, the Council has a statutory obligation to provide transport arrangements for ASC clients who fall within the eligibility criteria.
- 5.2 20 contracts that provide transport arrangements for eligible ASC clients expire on 31st July 2022 with no option to extend.
- 5.3 If we do nothing, there will be no formal contracts in place for 1st August 2022 onwards for the provision of ASC transport. Subsequently, ASC clients would be without arranged transport with contracted providers and unable to access local day centres, education venues and other settings that they would ordinarily access. This may put adults at risk of social isolation and health deterioration with mental wellbeing adversely affected. This outcome may also impact on family carers and their wellbeing and cause some to be without respite.
- 5.4 In the event of no contracts being in place, transport placements may alternatively need to be made by spot purchase arrangements. This may not be possible without additional administrative arrangements in place to manage each individual request and journey arrangements. This would present a high risk of exceeding the ASC budget for transport, as spot purchase placements are likely to be higher than costs via contractual arrangements.
- 5.5 This option is not recommended.

Option 2: Procure eight ASC transport contracts for 12 months from 1st August 2022 (not recommended)

- 5.6 20 contracts that provide transport arrangements for eligible ASC clients expire on 31st July 2022 with no option to extend.
- 5.8 Recent market engagement suggests that there would be very low interest in contracting for a 12-month period.
- 5.9 A reduced number of operators may bid for contracts compared with a procurement offering contracts for a longer period. This is largely due to current market conditions and challenges around driver retention. Drivers are more likely to stay or join an operator who can offer longer-term work.
- 5.10 TUPE would also apply to this procurement approach.

5.11 This option is therefore not recommended.

Option 3: Require Ugobus to provide all ASC transport (not recommended)

5.12 The Council could require Ugobus, ECC's in-house transport operator, to provide all ASC transport.

5.13 There are currently 11 external operators providing ASC transport.

5.14 There is a risk of destabilising the ASC transport market financially by discontinuing funding and contract arrangements with all external transport operators.

5.15 There is a risk that operators may seek alternative contracts and not be available if ASC were to require them in the future.

5.16 Approved and experienced external operators would not be available to ASC clients across Essex.

5.17 Ugobus do not have sufficient resources to deliver all ASC transport from 1st August 2022 onwards.

5.18 This option is not recommended.

Option 4: Tender ASC transport arrangements for a 24-month period, with Ugobus delivering a proportion of ASC transport (recommended)

5.19 It is recommended that Adult Social Care procure eight new ASC transport contracts for 1st August 2022 to 31st July 2024.

5.22 During the 24-month period, the Council will develop and agree a future procurement model in collaboration with Adult Social Care commissioners in line with future commissioning intent. It will be used to seek to further reduce carbon emissions and improve quality, client experience and social value.

5.26 This option is recommended because:

- There are 45 operators onboarded and available to bid for ASC transport contracts via the Council's Dynamic Purchasing System and using a sealed bid process.
- External operators have expressed interest in bidding to provide transport for ASC clients beyond 31st July 2022 for a 24-month period or longer.
- This option presents the lowest risk of disruption for ASC clients; every adult currently accessing transport and their families would receive communication from the Integrated Passenger Transport Unit to seek to minimise any disruption.

- This option will provide continuity of transport across Essex for Adult Social Care clients.
- This option will deliver sufficient capacity and competitive value for money.
- This option will avoid the risk of all adults being without transport.
- This option will avoid the risk of increased costs in having to secure alternative transport, which could alternatively involve a high proportion of spot purchasing.

6 Issues for Consideration

6.1 Financial implications

6.1.1 The estimated cost of the preferred option over the 24-month period is £3.2m, equating to £1.6m per annum, which spans three financial years due to the contract not starting until August 2022 (see table 1). This is modelled on the assumption that 85% of journeys are chargeable, due to adults not requiring transport at certain points due to illness, holidays etc. The current provision within the Medium-Term Resource Strategy (MTRS) is £2.6m across the 24-month period, which creates a pressure of £300,000 per annum. This will be met by the Adult Social Care budget for this 24-month period and any changes to future requirements will be factored in at the earliest opportunity.

Table 1

Financial Year 2022/23	Financial Year 2023/24	Financial Year 2024/25	Total
£1,067,000	£1,600,000	£533,000	£3,200,000

6.1.2 There are considerable risks that the contracts being re-tendered are not able to be contained within the available budget envelope. Since the 2022/23 MTRS was set, both inflation and fuel prices have increased and, whilst it is anticipated these will only be temporary in nature, it is expected that suppliers will factor the risk of fuel inflation into their bids. If the bids received are higher than the budget provision for 2022/23, a review of the ASC outturn will be required. If the forecast position is an underspend, any increase in prices will be mitigated within the overall ASC budget. If, however, the forecast is an overspend, a recovery plan will be required to identify ways to mitigate this increase. For 2023/24 onwards, if the bids would cause an increase in the ASC MTRS requirements, additional savings will need to be proposed to offset this increase.

6.2 Legal implications

6.2.1 The Council is subject to the requirements of the Public Contracts Regulations 2015 (PCR) and must procure in line with those regulations. Procurement from a PCR-compliant DPS is a lawful way for the Council to procure services. Procurement from the DPS must follow the procedures set out in the DPS and the requirements set out in the PCR. No material amendments can be made to the contract terms.

6.2.2 The recommended option will support ECC in meeting its obligations under the Care Act 2014.

7 Equality and Diversity Considerations

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

8 List of Appendices

- 8.1 EQIA
- 8.2 DPIA
- 8.3 Confidential Appendix

9 List of Background Papers

- 9.1 None

I approve the above recommendations set out above for the reasons set out in the report.	Date
Councillor Spence, Cabinet Member for Health and Adult Social Care	25.05.22

In consultation with:

Role	Date
Nick Presmeg, Executive Director Adult Social Care	25.04.2022

Executive Director, Corporate Services (S151 Officer)	24.05.2022
Stephanie Mitchener on behalf of] Nicole Wood	
Director, Legal and Assurance (Monitoring Officer)	23.05.2022
Laura Edwards on behalf of Paul Turner	