

# Report to Budget and Corporate Scrutiny Management Board

**29 March 2023**

<b>Subject:</b>	SEND Transport Performance Update
<b>Director:</b>	Director Children and Education Services Michael Jarrett  Simone Hines Director of Finance / S151 Officer
<b>Contact Officer:</b>	Assistant Director Education Support Services Sue Moore <a href="mailto:sue_moore@sandwell.gov.uk">sue_moore@sandwell.gov.uk</a>  Interim Head of Procurement Fiona McLaughlin <a href="mailto:fiona_mcloughlin@sandwell.gov.uk">fiona_mcloughlin@sandwell.gov.uk</a>

## 1 Recommendations

That, in connection with Home to School Transport for children and young people with SEND, the Board:

- 1.1 considers and comments upon the SEND Transport Performance Update.
- 1.2 note the increased budget and market challenges presented to the council in delivering against its statutory duty to provide the service.
- 1.3 agrees to receive a future report for consideration and comment, outlining service options available to the council for the provision




of Home to School Transport to provide ongoing assistance and / or procure future transport arrangements to address the increasing budgetary pressure faced by the council.




## 2 Reasons for Recommendations

- 2.1 The new 'Framework for the provision of Passenger Transport Services for Children and Young People with Special Educational Needs and Disabilities' (Contract No. SMBC 22011), commenced 1 September 2022 for a period of two years, and has been in operation for over 6 months. Due to the significant financial resource required to maintain both the above Framework, and additional financial support to independent travellers, there is a need to report to the Board on performance to date.
- 2.2 Details are provided within the report as to the additional financial pressures presented since the beginning of the current academic year.
- 2.3 In order to ensure that Home to School Transport Arrangements through either assisted or independent travel assistance continue to provide value for money for the council, it is important to review and take into account a wide range of views from consultees as alternative options for service delivery are pursued. The procurement timetable for renewal of the contract arrangements for SMBC 22011 will need to commence shortly.

## 3 How does this deliver objectives of the Corporate Plan?

	<p>Best start in life for children and young people</p> <p>The Council is required to make arrangements for all children who cannot reasonably be expected to travel to school because of their mobility problems or because of associated health and safety issues related to their special educational needs or disability (SEND).</p>
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	<p>People live well and age well</p> <p>Sandwell now has a national reputation for getting things done, where all local partners are focused on what really matters in people’s lives and communities.</p> <p>Providing children and young people appropriate travel assistance to school and college enables opportunities to access life, social and educational skills to live well and prosper.</p>
	<p>A strong and inclusive economy</p> <p>Using local operators who employ local people to provide transport enables the local economy to thrive.</p>
	<p>A connected and accessible Sandwell</p> <p>Public transport is an important component of the system for organising travel to school. Travel assistance training is made available to all children and young people who can benefit from independence in their travel to school.</p>

#### 4 Context and Key Issues

4.1 Under Section 35(b), Education Act 1996 the Local Authority has a duty and has powers to make travel arrangements for children with special educational needs and disabilities to facilitate their attendance at an appropriate education provision.

*“To make arrangements for all children who cannot reasonably be expected to travel to school because of their mobility problems or because of associated health and safety issues related to their special educational needs or disability (SEND). Eligibility, for such children should be assessed on an individual basis to identify their particular transport requirements.”*

#### 4.2 Current Position

The baseline SEND Transport budget is £7.52m. Based on current projections the expected final outturn cost for financial year



2022-23 is £11.2m which is a £3.7m budget pressure (inclusive of all travel assistance provided), a rise of £0.5m on Period 10 budget monitoring due to additional passengers that has increased the overall costs. Travel Assistance, includes Travel Training, Travel Passes, Parental Mileage, Personal Transport Budgets and Home to School Transport.

£m	2022/23	2021/22	2020/21	2019/20	2018/19
Baseline budget	7.52	5.66	2.55	2.55	2.55
Annual Expenditure	11.22	7.55	5.76	5.18	3.53
Variance	(3.7)	(1.89)	(3.21)	(2.63)	(0.98)

- 4.3 There are a number of factors that explain the budget pressure now experienced this academic year.
- 4.4 A 51% increase in pupils with Education, Health and Care Plans (EHCP's) since January 2019: 2,084 pupils in January 2019 rising to 3,150 in January 2023) as per reported statistics in the statutory data return (SEN2).
- 4.5 As Table 2 below indicates, in January 2021 there were 818 pupils in receipt of Travel Assistance, of those 639 were being transported on transport arranged by the Local Authority. At present there are 1,042 pupils in receipt of travel assistance, with 848 transported, a 25% increase. However, as can be seen from Table1 above, expenditure on SEND Transport has increased by 49.3% over the same period. The reasons for this are covered in the following paragraphs.



<b>Table 2</b>		
	January 2021	January 2023
Home to School Transport Framework (Contract)	639	848
Parental Mileage	28	63
Personal Transport Budgets	128	112
Travel Passes	20	4
Pupils Out of Borough	3	15
Total	818	1,042

- 4.6 Personal Transport Budgets (PTB's) were introduced during the pandemic to support families who did not want to use the transport provided, had no access to their own vehicle. In recent months the number of PTB's has reduced which has reduced the predicted impact of an overspend. New applicants are offered Parental Mileage in the first instance as this is more cost effective than PTB's, hence the reduction in numbers as pupils leave education.
- 4.7 The number of Travel Passes has also reduced as more students are being assessed as not suitable for independent travel, due to their complex needs.
- 4.8 Not only has there been an increase in the number of children who require transport, but their needs are increasingly becoming more complex which in turn impacts on transport:
- More children are now travelling alone with a Passenger Assistant
  - Reduced capacity on multi-occupancy vehicles as wheelchairs increase in size
  - An increasing number of Passenger Assistants needed to support individual children



- 4.9 A reduced travel time from an hour to 50 minutes or less introduced within the Framework, which was prompted by the recommendation from Childrens Service's and Education Strategy Scrutiny Board on the basis of improving the outcomes for children and young people and has led to an increase in the number of routes / vehicles required.
- 4.10 The council's commitment is to ensure that all Passenger Assistants, which traditionally is a low skilled role, are paid the current National Living Wage.
- 4.11 The number of Out of Borough placements has also increased as a direct result of the pressure on the availability of specialist places in Sandwell as the Council ensures a child's needs can be meet. This can lead to additional individual journeys. To address this the Council is seeking to increase local provision through it's Specialist Place Planning Strategy 2022.
- 4.12 In accordance with the Children and Families Act 2014 provision for 16-19-year olds was extended to up to 25 years old and led to increased costs as transport is arranged to suit individual timetables. Study programmes often are part-time based, and for an individual's timetable this doesn't always fit timing of a standard college day.
- 4.13 It is important to acknowledge that this situation is not unique to Sandwell. Feedback from a recent regional meeting with the Department for Education highlighted that many local authorities are struggling with the rising cost of home to school transport because of the increase in demand, accommodating more complex needs and a shortage of operators / drivers / passenger assistants. Many LA's have confirmed that the current position is no longer sustainable and are calling for a change in legislation.
- 4.14 In comparison to comparative local authorities, since the early 2000's the council has taken a much more inclusive approach to



provision for pupils with SEND, that has led to a greater number of journeys taking place across the Borough.

4.15 Other local authorities will have larger special schools with much larger vehicles transporting children and young people, however Sandwell's approach to build specialist schools for pupils with the most complex needs and more pupils supported through mainstream schools in focus provision, increased the volumes of journeys to transport pupils.

4.16 As the number of children with EHCP continues to rise it will inevitably impact on costs as demand for travel assistance increases. It is expected that the pressure on the budget will continue in 2023/24 as a result a further review will be undertaken to identify potential cost savings such as travel times, multiple school's routes to increase vehicle efficiency. New specialist places will also help to address rising costs as the need for out of borough provision is reduced.

## 5 Procurement

5.1 The new procurement exercise sought to address the following recommendations from the Grant Thornton review in December 2021, which identified that the council should:

- Not lose the significant progress made on the contract specification's focus on service quality.
- Greater support, involvement, dialogue and oversight with the officer teams with responsibility for progressing the procurement.
- Ensuring the contract provides the Council with effective management and oversight of the personal transport market.
- Record keeping, and declarations of interest are undertaken in line with Council policies and procedures.
- Decision making does not create real or perceived risks in relation to inappropriate procurement decisions.
- Procurement timescales provide adequate time for both suppliers to submit high quality bids, and the Council to



undertake appropriate evaluation, scrutiny and decision making. This timescale should include appropriate time in advance of the procurement for the council to undertake the necessary strategic thinking and planning required and mitigate the risk of not making an award in the planned timescale.

5.2 In developing the new framework officers also took into account recommendations from the Council's own internal review, and the Childrens Services and Education Scrutiny Board supported the safeguarding of all children and young people and their journey experience, which included: reducing travel time for all passengers to 50 minutes: all drivers and passenger assistants to have undertaken basic first aid training: promoting awareness of travel training: and the continued application of the TAS Badging process for drivers and passenger assistants employed on council contracts.

5.3 The new framework was developed to ensure delivery of the following key components:

- Greater financial & market resilience
- Transparency of process & decision making
- Value for money
- Improved contract compliance & monitoring
- Effective communications: Operator & Parent / Carer Newsletters Briefing for Councillors
- Utilising existing resources more effectively i.e. In-tend / Adult Social Care Fleet
- Further competition opportunities
- Option to extend Framework by 12 months
- Capturing lessons learnt for future procurement exercises

5.4 The key features of the new Framework are:

- 13 Contracts over 3 Lots
- Broader structure of Lots to support / encourage SME's either directly or through sub-contracting arrangements





- Operators initially limited to the award of 1 contract per Lot
- Evaluation thresholds for compliance, finance and quality reviewed and improved
- Further opportunities for new contracts during life of Framework
- Enhanced pricing structure for tender submissions
- Service Specification for Operators: reviewed and updated
- Improved compliance: operationally and contractually
- Allows for effective use of Council resources
- Adopting an appropriate evaluation matrix to manage the equitable award of contracts to individual operators
- Selecting a wider range of operators to minimise the risk of service disruption through the failure of a single operator
- Securing satisfactory evidence of the ongoing financial resilience of the operators admitted to the Framework
- ensuring adequate contingency plans are in place to ensure continuity of service

5.5 However, despite the robust measures in place the response of the market created additional challenges. Initially 13 contracts within 3 Lots were awarded to 6 different operators. Unfortunately, 3 operators immediately declined offered work, and whilst the team were able to offer 2 contracts to the next lowest operators, 2 remaining contracts had to be broken down into smaller contracts to reduce the risk of either no bids being received, or bids being artificially inflated.

5.6 In August 2022, 17 contracts were awarded with a total value of £6.6m based on 692 pupils.

5.7 From the period 1 April 2022, (when pupil schedules were finalised for tendering purposes) to date, 318 new applications for travel assistance have been received, of which 267 were eligible. A significant increase in passenger numbers has led to increased costs and led to further disruption to pupils as a result of route and personnel changes.



5.8 The difference in contract value between contract award in July 2022 and current costs for each of the contracts are indicated in Table 3 below:

<b>Table 3</b>							
Contracts:							
No.	School(s) / Area(s)	Total annual value at contract award £	No. of passengers at point of award	No. of Vehicles At point of award	Revised total annual contract value (expend.)	Revised No. of passengers as of 10/03/23	Revised No. of Vehicles As of 10/03/23
1	Meadows	961,400	141	26	1,364,986	150	33
2	Orchard	570,000	111	14	698,660	108	18
3	Westminster	549,100	149	15	549,100	143	15
4	Shenstone & Brades	416,100	14	3	822,851	45	24
5	* Mainstream Primary - South	658,160	42	24	673,642	39	21
6	<i>Contract returned so re-procured</i>	<i>n/a</i>	-	-	-	-	-
7	Mainstream Primary - North	396,861	24	13	467,981	24	13
8	Mainstream Secondary - South	395,200	37	9	463,051	37	11
9	High Point Academy	114,000	22	3	452,999	44	8
10	Out of Borough - Birmingham	1,086,800	61	32	2,521,522	98	53
11	** Out of Borough – Others	585,580	22	14	1,276,001	24	22
12	<i>Contract re-procured as 14 &amp; 15</i>	<i>n/a</i>	-	-	-	-	-
13	The Primrose	114,000	18	3	<del>356,583</del>	18	9
14	West Bromwich	115,900	6	5	833,990	21	15
15	Wednesbury / Tipton	159,600	18	4	420,946	26	9
16	Dudley	151,050	8	5	947,288	26	20
17	Walsall	161,416	6	6	230,400	6	6



18	Wolverhampton	107,730	6	6	165,880	9	6
19	Dudley Port School	53,010	7	2	247,327	10	6
20	+ Elm Tree Primary	n/a	-	-	83,391	10	2
	Totals	6,595,907			12,220,015		

+ *Following the decision by Adult Social Care Fleet, Contract 20 'Elm Tree Primary Academy' was awarded through a new contract on 5 January 2023*

++ *The Primrose Centre is excluded from total expenditure as this cost is met directly by the school*

5.9 In April 2022 it was agreed that the Adult Social Care Fleet would undertake the contract for the new special school, Elm Tree Primary Academy, which opened in September 2022. The service was initially one minibus for 7 children. The plan was for the contract to expand with demand over the course of the next 6 years as the school moved to full occupancy, giving the Fleet time to resource the increased provision. Unfortunately, ASC confirmed in December 2022 that they were unable to continue with the contract after 31 December 2022 due to the re-set and recovery of community venues and the need to transport adults each day. The cost of awarding this contract for the remainder of the financial year is £27k, or £53k for the whole academic year.

5.10 Both passenger numbers and vehicles numbers have been provided in Table 3 to indicate examples of where additional numbers of passengers can disproportionately increase the number of vehicles now required, together with the associated additional costs. E.g., Contract 1, The Meadows. Whilst only 9 additional passengers by end January 2023, 7 additional vehicles are now in use.

5.11 Other significant changes can be seen within contracts 5 and 11.



\* Contract 5, serving mainstream primary schools in the south of the borough has experienced various changes in the number of passengers: the additional cost for each new passenger: a larger vehicle required in one instance to accommodate a larger wheelchair in use: induction to a new school is often conducted on a part-time basis, requiring the operator to undertake additional journeys to pick up and drop off.

\*\* Contract 11 – covers outreaching schools with much longer travel distances: resulting in a higher than average cost for each extra vehicle required, with an additional Driver and Passenger Assistant: 3 new schools were added to the contract since tender award: one school is now operating a Saturday school necessitating additional journey's.

5.12 Grant Thornton confirmed in their 'Value for Money Governance Review' in December 2022, that previous concerns raised around SEND Transport had now been resolved with improved governance in place, and that the Council must ensure lessons learnt are shared across other Council Services so that learning becomes embedded across the Council.

5.13 The council has also undertaken a lessons learnt exercise of SEND 2 procurement to support future council wide procurement projects. The lessons learnt review was to capture good practice and reflect areas for continuous improvement which was not specific to SEND Transport. It focused on Officer perspectives of the project. The four main themes of the review focussed on:

- Corporate Oversight & Resources
- Communication and Engagement
- Governance and Project Management
- Organisational Culture



#### 5.14 Key lessons learnt included that:

- The timescale for SEND 2 was very challenging – delivering the SEND 2 procurement on time was a major achievement
- The issues, challenges and requirements from SEND 1 (Reviews by Audit, Scrutiny and Grant Thornton) were addressed in SEND 2 and their recommendations were incorporated into the process
- Project governance, specialist procurement support and a cross-council project team were in place and this provided corporate grip
- Communication around the process, timescales and project outcomes took place with Members
- Officers and Directors involved demonstrated commitment to deliver SEND 2 and the project was a good example of cross-council working.
- The market was a challenging environment to engage with and work will be undertaken with SEND 3 to support them on expectations in future procurements.

#### 5.15 Areas for continuous improvement are being embedded in plans.

These include:

- Ensuring resources are in place, and sufficient delivery time is factored in for procurement projects from the outset
- Providing clear guidance to Officers for major and high-risk procurement projects
- Ensuring that pre-market engagement takes place before procurement commences
- Strengthening the project management approach for major and high-risk procurement projects
- Extend procurement training to elected members to support the key role they play in the approval process

## 6 Next Steps

The timetable to commence the next procurement exercise, SEND 3 will commence this Spring to ensure sufficient time to complete the task, incorporate the lessons learnt from SEND 2, and consider the following:



1. A selection of, or all future contracts are changed at the end of the Spring Term (Easter) to ensure there is:
  - Less disruption for children and their families.  
Traditionally there are a significant number of new pupils starting, and pupil leaving travel assistance at the start of the new academic year. Changing contracts at the same time leads to significant and unnecessary disruption to children and their families as routes and collection / drop off times change which was very evident during September 2022.
  - Greater cost certainty at outset of new contracts, with passenger schedules a reflection of current demand operators are then being asked to tender upon
2. As part of this approach varying contract lengths will also be considered to encourage and support a more competitive market, with an increased frequency of new opportunities  
Improve SEND Pupil Forecasting to better predict future budget pressures.
3. Capacity to increase service provision through the Framework to accommodate the continued growth of both new special schools, High Point Academy (Secondary) and Elm Tree Primary Academy as they move towards full occupancy in 2024 and 2025 respectively.
4. Changes in occupancy rates of multi occupancy vehicles: the change in needs of children and young people are increasing, which will cause occupancy levels to reduce, increasing the number of vehicles required to undertake larger school contracts.
5. That all future council contracts support the Council's Climate Change targets of being Carbon Neutral by 2030.
6. Introduction of collection points for passengers using large occupancy vehicles for some schools / pupils to reduce the number of routes and vehicles used and promote a degree of independence for the young person.
7. Further improvements to the customer experience, e.g. improving the meet and greet process when a new passenger joins the service, or a new Framework Supplier is used, and



real time updates on journeys for parents / carers, children and young people, educational establishments and the council.

8. Route planning being undertaken by the council rather than operators. The task would require introduction of specialist software and likely to impact upon staffing levels.
9. Future procurement strategy to address supply and demand: as demand continues to increase, the market is getting smaller and prices are rising.
10. Investment in software to support contract management to manage increasing demand and impact on budgets.
11. External contract monitoring support: explore the option to use external contract monitoring support of the Framework, in tandem with the ongoing operational contract monitoring, will improve the overall service provided to the council, and also enable the opportunity to upskill existing staff to reduce cost of engaging external support.
12. Repeat credit checks. For SEND 2, credit checks for all Framework suppliers are currently being repeated.
13. Pre-market engagement with the supplier market.
14. Pre-procurement consultation with parents and key stakeholders.

## 7 **Alternative Options**

- 7.1 The Council either needs to keep or review how Travel Assistance is awarded in the future, or consider how it may be delivered differently to ensure the most efficient and cost-effective solution is maintained.
- 7.2 Whichever option for SEND 3 is implemented, the council will need to ensure it continues to fulfil its statutory duty to make arrangements for all children who cannot reasonably be expected to travel to school because of their mobility problems or because of associated health and safety issues related to their special educational needs or disability (SEND).
- 7.3 Alternative options may include one of the following that will be explored further and be subject to further reports to the Board, and



Cabinet for any policy changes that alternative provision may present:

- Although likely to be very unpopular for families of children and young people with SEND, a review of policy and practice changes to manage budget expenditure more effectively. For example, all Sandwell parents make their own travel arrangements using a personal budget.
- Explore the option for the council to deliver its own home to school transport service, either through establishing its own fleet, or potentially through an arm's length company. Both options have the potential to generate additional income by undertaking non-Council work. The proposal could be piloted by maximising the use of the existing Adult Social Care Fleet to test its viability, as several factors will need to be addressed before committing to significant investment.

7.4 The current contracts undertaken under Contract No. SMBC 22011 use in excess of 300 vehicles with operators using cars, Hackney Cabs, and 7-15 seater mini buses, many of which will have a tail lift to enable access for wheelchair users.

7.5 A number of significant questions and issues would be raised with this option:

- Efficiency of vehicle usage: use of vehicles for only 4 journeys a day will not be cost efficient
- Sufficient capacity with built in contingency, variety of vehicles to meet demand, passenger needs and changing circumstances
- Recruitment and retention of Drivers and Passenger Assistants
- Secure storage for vehicles
- Council's commitment to being carbon neutral by 2030, will require an Electric Fleet, with sufficient capacity for charging
- Increased infrastructure required to manage the fleet including maintenance, training for staff, daily operational





- oversight, increased insurance costs
- Significant expansion of existing council staffing levels to provide a transport service

## 8 Implications

<b>Resources:</b>	Service provision, including Home to School Transport assistance, and direct support to families is currently provided from within existing resources. However as is the basis of this report, the projected expenditure for 2022/23 financial year is expected to be significantly in excess of the baseline budget of £7.5m.
<b>Legal and Governance:</b>	<p>Under Section 35(b), Education Act 1996 the Local Authority has a duty and has powers to make travel arrangements for children with special educational needs and disabilities to facilitate their attendance at an appropriate education provision.</p> <p>Governance: monthly meetings of the SEND Transport Procurement &amp; Governance Programme Board are held (membership: Children and Education Services: Director of Finance / S151 Officer: Director of Law and Governance &amp; Monitoring Officer)</p>
<b>Risk:</b>	As the options detailed in the report are fully explored the risks will be captured within the risk register for procurement.
<b>Equality:</b>	<p>An Equality Impact Assessment was undertaken for the purpose of completing the procurement exercise through the new Framework arrangements (Contract No. 22011) and kept under review during this operational stage.</p> <p>Children and young people with special educational needs and disabilities (SEND) have protected characteristics under the Equality Act 2010. The</p>



	<p>Local Authority has a duty and has powers to make particular travel arrangements for children with SEND to facilitate their attendance at an appropriate education provision.</p> <p>Local authorities must publish details of school transport for children and young people with SEND in their local offer. This is set out in the Special Educational Needs and Disability Regulations 2014 – schedule 2 paragraph 14.</p> <p>Children who cannot reasonably be expected to walk to school because of SEND, disability or mobility difficulty are eligible for transport under section 508B and schedule 35B (2) of the Education Act 1996. The policy should explain how a child with SEND meets the criterion for school transport.</p>
<p><b>Health and Wellbeing:</b></p>	<p>Health and Wellbeing cuts across all travel assistance areas subject to the report. Travel assistance is provided for our most vulnerable children and young people to enable them to access appropriate educational settings that support their health and wellbeing.</p> <p>For those pupils transported through the Framework arrangements operators are required to both acknowledge, and also arrange training for staff, to support the health and wellbeing of passengers, e.g., all operators are required to arrange Basic First Aid training for staff.</p>
<p><b>Social Value:</b></p>	<p>Contracts awarded under the new Framework require suppliers to demonstrate how they will be responsive to Social, Environmental and Local Economic prospects, and how they will construct and operate their works to deliver a positive impact on the local economic, social and environmental well-being of the local area.</p>



	Primarily operators are locally based employing staff from the local area.
<b>Climate Change:</b>	<p>All decisions on future parental support and transportation will have to take full account of the council's Climate Change Strategy and the ambitious targets to work towards a net zero / carbon neutral society.</p> <p>Throughout the operation of the current Framework (SEND 2), and procurement and operation of SEND 3, whichever option is taken forward for future service provision, reduction of carbon emissions, minimising the total number of vehicles, routes and journeys passengers take will remain paramount.</p> <p>Contract procurement will require consideration and engagement with potential suppliers to model a business solution for both the council and the market that will afford the opportunity for petrol / diesel vehicles to be replaced with hybrid and full electric models.</p>
<b>Corporate Parenting:</b>	All decisions, contract arrangements and operational tasks centre around the corporate parenting role and responsibilities all staff and contractors hold whilst children and young people are in our care.

## 9 Appendices

Grant Thornton. Sandwell Metropolitan Borough Council: Value for Money Governance Review – follow up dated 2 December 2022

## 10. Background Papers

Grant Thornton. Sandwell Metropolitan Borough Council: Value for Money Governance Review – follow up dated 2 December 2022

