

EXECUTIVE

12th October 2023

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| Report Title | Home to School Transport Dynamic Purchasing System |
| Report Author | Graeme Kane, Executive Director for Place & Economy |
| Lead Member | Cllr Matt Binley, Executive Member for Highways, Travel and Assets |

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| Key Decision | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Is the decision eligible for call-in by Scrutiny? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Are there public sector equality duty implications? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Does the report contain confidential or exempt information (whether in appendices or not)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972 | |

List of Appendices

None

1. Purpose of Report

- 1.1 Home to School Transport is delivered by external commercial contractors commissioned by council officers through a dynamic purchasing system (DPS) supplied by Access Group and known as "adam". The current contractual arrangement under the DPS is a joint system shared with West Northamptonshire Council (WNC) who manage the contract on behalf of North Northamptonshire Council (NNC).
- 1.2 The current contractual arrangement facilitated by WNC comes to an end on 31st March 2024.
- 1.3 This report is to seek authorisation to make a Direct Award under the Yorkshire Purchasing Organisation (YPO) Commissioning Solutions Framework ref. 1017 (the 'YPO Framework') to procure a standalone contract for NNC with Access Group for the DPS known as "adam" so that with effect from 1st April 2024 NNC operates its own contract(s).

2. Executive Summary

- 2.1 North Northamptonshire Council is required to arrange free, suitable, home to school transport for children of compulsory school age who are eligible, to their nearest suitable qualifying school, in line with section 508B of the Education Act 1996 and the Government's statutory guidelines which were revised in 2023.
- 2.2 The Council also provide transport for Northamptonshire Children's Trust, the costs for which are recharged back to the Trust.
- 2.3 The current procurement system for Home to School and Social Care Transport is via a DPS known as "adam", which is shared with West Northamptonshire Council (WNC) who manage the specific contract(s) under the DPS for and on behalf of the Council. This contractual arrangement is due to expire on 31st March 2024, although there is the option to extend for two further one-year periods should WNC so desire. As NNC are not a party to or the client for the purposes of specific contract(s) under the DPS there is not an option for NNC to extend the contract in isolation.
- 2.4 The system is generally operated independently by both authorities who utilise the system to procure services within each of their respective areas. NNC currently spends approximately £17m per year through this portal.
- 2.5 The shared system does however have some drawbacks that prevent the Council fully realising the efficiency of the service. These include a shared procurement database that is suited to the whole of the former county area of Northamptonshire. As the two authorities have diverged, so have the needs and requirements of each respective authority which makes it more difficult for common procurement requirements to be achieved. The system also aggregates invoicing from respective suppliers to reduce the number of invoices that each council must process each month. Within the current system however, there is no way to automatically split this aggregated invoice between the two authorities and as such there is a monthly need to manually disaggregate the invoices between the two councils so that each authority is paying the cost of its own services, utilising officer time that could be spent more proactively in ensuring quality of service provision by providers.
- 2.6 The adam package is used by many Councils and other commissioning bodies across the country and has proved very effective at providing an auditable record of procurement and commissioning for a variety of services. If configured appropriately, adam can provide useful management data to support forecasting and effective contract management.
- 2.7 Staff are already familiar with the adam DPS package and the way in which it works and are comfortable that it suits the Council's needs. Alternatives would need extensive development and data migration to similarly meet the Council's needs which would have a potential risk to service delivery. It is therefore proposed that the Council should remain with Access Group as our system supplier. To implement this, it is recommended that the council procure its own contract under a Direct Award through the YPO Framework. As client for the

contract, it would increase the scope to work with the supplier to further optimize the system to meet the specific needs of NNC.

- 2.8 YPO are a purchasing organisation owned and run for the benefit of the public sector. They operate a procurement framework which enables authorities to draw down from contracts for commonly used products and services, which they procure with a standard contract, schedule of rates and tender qualifications requirements. This allows public sector partners to benefit from the economies of scale of a larger procurement and achieve saving on procurement costs.
- 2.9 There are no other packages on the YPO framework that meet the council's needs of providing a DPS with invoicing aggregation and supplier engagement facilities. A mini tendering competition within the framework is therefore not an option and the council is able to direct award to the supplier.

3. Recommendations

3.1 The Executive is recommended to:

- i) Authorise a Direct Award of a contract with the Access Group under the YPO Framework for the Dynamic Purchasing System known as “adam”, to facilitate ongoing procurement of home to school transport and related services.
- ii) Delegate authority to the Executive Member for Highways, Travel and Assets in consultation with Executive Director of Place and Environment to take any further decisions and/or actions required to conclude the procurement process, appoint the preferred supplier and enter into respective contracts for the delivery of Home to School transport and related services.

3.2 Reasons for Recommendations –

- a. This proposal will facilitate the disaggregation of the financial processes from WNC, giving the Council better monitoring of forecasting and spend and is a key part of the Transformation of the service to meet the needs and requirements of the Council.
- b. Taking its own contract under a Direct Award from the YPO Framework would allow the Council to work with the DPS provider to further optimize the system to meet the specific needs of North Northamptonshire as a standalone Council, rather than compromise to meet needs of the two councils together.
- c. Taking this decision at this time allows sufficient time to prepare and develop the market and ensures that there is an ongoing process and

platform for procurement after the expiry of the current term of the DPS contract. This gives a degree of certainty to both the Council and the service providers contracting with it and helps to ensure that the Council can continue to meet its statutory obligations after April 2024.

- d. Alternative procurement provisions would need extensive development and potentially data migration to similarly meet the Council's needs. There is no guarantee that the current service providers would be prepared to sign up to a different platform, or that the potential new platform can replicate the levels of operational service provided within the current DPS platform.
- e. Transitioning to a new system without sufficient lead in time to support providers is likely to lead to procurement and service issues. Providers will need to be supported in changing their processes to support the new ways of working which could lead to greater engagement from officers to ensure effective service delivery and contract management. The launch of a new system without adequate support may deter providers from bidding for routes in the future.
- f. The increased cost of the proposal is minimal against the overall budget for Home to School Transport and can be absorbed within it. There is potential for savings from utilising more local service providers to off-set the additional costs.
- g. Re-development of the current service to include more local service providers and resolve current finance issues would incur additional costs which need to be considered against the time remaining in the current contract.

3.3 Alternative Options Considered –

- a) Do nothing: The current contractual arrangement under the DPS will expire at the end of March 2024, subject to any extensions undertaken by WNC. If the contract is allowed to expire without any action being taken, the Council will have no process for procuring Home to School and social care transport. This will leave the Council unable to meet its statutory responsibilities in this area.
- b) Undertake a full procurement exercise to identify an alternative system that may meet the Council's needs. Soft market testing has not identified a system that would be able to immediately meet the Council's needs without further development of both the system and Council's processes and internal systems within the timescales required.

4. Report Background

- 4.1 Home to School Transport is provided by commercial service providers procured through a DPS known as “adam.”
- 4.2 The current contract with adam:
- i) Was entered into by the former Northamptonshire County Council in 2019 and subsequently adopted by West Northamptonshire Council on behalf of both WNC and NNC,
 - ii) Is due to expire at the end of March 2024
 - iii) Has an option to extend for two more periods of one year each
 - iv) Is managed by WNC.
 - v) It is not certain whether WNC will exercise the option to extend the current contract.
- 4.3 North Northamptonshire Council transports over 6000 students and pupils, some of whom are extremely vulnerable or have special educational needs or disabilities, to and from school each day by using a combination of taxis, private hire vehicles and buses, which are procured through the adam DPS. Each year it spends in the region of £17m through the DPS portal.
- 4.4 The Council also provides:
- i) Transport for vulnerable adults to day-centres and other places of support.
 - ii) Transport to a wide range of Social Care and Health services and appointments for vulnerable children
- 4.5 The combined councils (WNC and NNC) currently have around 200 service providers signed up on the portal, although only 90 regularly make bids or currently hold contracts with the Council.
- 4.6 The adam system simplifies much of the procurement and contract management function for the service.
- 4.7 Adam was primarily adopted to provide an easy and fully auditable tendering portal. Potential providers can join the DPS at any point during its operation, subject to them meeting the pre-qualification checks and assessments which are part of the enrolment process.
- 4.8 The system provides an end-to-end procurement process for selecting transport providers to deliver journeys for pupils and children to access education. The process includes: accreditation of providers; pre-qualification checks; publication of the Council’s transport requirements; bidding; contract award and management; invoicing and payments; ad-hoc notifications to suppliers.
- 4.9 The adam package is used by many councils and other commissioning bodies across the country and has proved very effective at providing an auditable record of procurement and commissioning for a variety of services. If configured

appropriately, adam can provide useful management data to support forecasting and effective contract management.

5. Issues and Choices

Issues with current system provision

- 5.1 The current finance processes are very complex and extremely difficult to separate – adam is currently unable to bill NNC and WNC routes separately as the system amalgamates invoices for suppliers across both councils. This requires a manual process to allocate the costs to the relevant authority.
- 5.2 The current supplier pool was established by Northamptonshire County Council and includes a higher proportion of providers in the Northampton area. NNC specific system would allow a supply chain to be established which is better suited to the NNC area. This may deliver better value for money for NNC.
- 5.3 Transportation of children and vulnerable adults is an area of high reputational and financial risk to the Council, and it is essential that systems are in place to reduce the likelihood of failure or unforeseen budgetary risk. Having recently transferred the transport operation from WNC, the NNC Home to School Transport team is a newly forming team that are still developing processes and systems best suited to the unitary authority. It is operationally advantageous, and reduces risk, to remain with a system with which the team are already familiar. This will enable them to build on their current work and to further optimize and tailor the system to the needs of the Council.

6. Next Steps

- 6.1 If it is decided to take out our own contract with Access Group we will make a Direct Award through the YPO Framework.
- 6.2 Once approved, the Direct Award will be made, and Access Group will be able to start the supplier engagement process and mobilisation of a product to meet NNC bespoke needs for launch in April 2024. This will give staff sufficient time to become familiar with any changes to the product ahead of the next school year.

7. Implications (including financial implications)

7.1 Resources, Financial and Transformation

- 7.1.1 There is a start-up fee of £23,900 and an annual licence and support fee of £43,165, thus the cost across a three-year contract would be £153,395, with potential for two one-year extensions adding a further £86,330 to the overall cost. These costs can be covered from existing budgets.

7.1.2 Currently the annual licence costs are shared with WNC. If the Council becomes fully independent, the cost of the entire contract will fall to it together with the start-up costs. This represents an increase in costs in the region of £42,065 in the first year and £18,165 in subsequent years.

7.1.3 Any savings from these proposals will be minimal when compared to the overall budget for Home to School Transport, however:

- Increased use of local service providers should help to keep costs lower (reduced dead mileage reducing the overheads of the service providers, enabling them to reduce charges to the Council).
- Increased use of local service providers will help to reduce the carbon footprint of the service and reduce the environmental impact of providing the service.
- New contracts and increased competition often trigger short-term cost reductions.

It is therefore anticipated that the additional costs can be recovered from savings across the contract term.

7.1.4 **Resources:** no resource implications from this proposal. Staff are already familiar with the package and no staffing changes are anticipated because of the changes. Any additional training required will be included as part of the implementation of the package.

7.1.5 **Transformation:** This proposal is part of the ongoing improvement plan for Home to School Transport Services with a view to providing better financial forecasting and management and more localised services.

7.2 Legal and Governance

7.2.1 The procurement process proposed in this report, namely accessing a compliant single supplier framework agreement via direct award, must be conducted in accordance with the requirements of the relevant framework agreement, the Public Contracts Regulations 2015 (Regulation 33) and the Council's Contract Procedure Rules. Where a framework agreement is single supplier, and is concluded with a single economic operator, mini competition is naturally not available as an award process and a contracting authority can award specific contracts to that supplier during the term of the framework agreement.

7.2.2 Specific contracts, or 'Call-Off Contracts', entered into under a framework agreement or a dynamic purchasing system (DPS), must comply with the requirements of the relevant framework agreement or DPS, the Public Contracts Regulations (Regulation 33 and Regulation 34 respectively) and the Council's Contract Procedure Rules.

7.2.3 Officers advise that existing contractual arrangements for the delivery of Home to School Transport and related services are in place from September to July annually, and there may be a transition period which means overlap between the expiry of existing contractual arrangements for delivery of services and the commissioning of new services under the YPO Framework. Existing contractual arrangements will need to be reviewed by officers and, as appropriate and subject to the provisions of those contracts, managed to ensure continuity of service.

7.2.4 Legal services, where instructed, will advise and assist officers with regard to the conduct of the procurement processes together with the resulting contractual arrangements, and where required management of existing contractual arrangements during the transition period.

7.3 Relevant Policies and Plans

7.3.1 This entire service is bounded by and developed upon the Education Act and other supporting legislation, and the statutory guidance notes issued by the Department for Education together with the Home to School Transport Policy and the Post 16 Travel Policy, both of which are published on the Council website.

7.3.2 The proposals enable to Council to have a clear and auditable platform for procurement of home to school transport, in accordance with the procurement regulations.

7.3.3 The Billing and Invoicing functions of the system comply with local authority Finance Regulations.

7.4 Risk

7.4.1 The key risks relevant to this stage of the project are capacity, relevant expertise, and impact on business as usual. There is a risk that the council would not have a system in place beyond April 2024 which would have a severe impact on the Council's ability to deliver its statutory duty.

| Risk Assessment | Mitigating Actions |
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| There is a risk of procurement challenge when procuring any new system or provider | Engagement with procurement / legal advisors to ensure a compliant route to procurement. |
| The service's capacity may be limited in terms of supporting the delivery of the project. | The transition will be overseen by the manager of the service and supported by the wider team. The transition is occurring during the Winter and Spring period which is one of the less busy times of year for the service. |

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| ICT capacity may be stretched as they will need to support several projects, including this implementation. | Engagement with ICT teams to ensure that capacity and resources are identified for project. By procuring a system that is cloud-based and known to the authority, the procurement and establishment of the system is simplified. |
| The procurement process and implementation could take longer than planned. | Careful planning and monitoring of the project. Early engagement with the provider to develop a project plan, allocate resources and manage risks. |

7.5 Consultation

7.5.1 No consultation is required.

7.6 Consideration by Executive Advisory Panel

7.6.1 Whilst the EAP have previously received presentations relating to home to school transport, they have not been consulted on the procurement of a new dynamic purchasing system.

7.7 Consideration by Scrutiny

7.7.1 Whilst the Place and Environment Scrutiny Committee have previously received presentations relating to home to school transport, they have not been consulted on the procurement of a new dynamic purchasing system.

7.8 Equality Implications

7.8.1 This proposal does not directly impact any individual or any group of individuals with or without the protected characteristics.

7.8.2 The users of the portal will be the Council and any commercial contractors who wish to sign up to the DPS. As part of the enrolment process contractors are required to demonstrate their commitment and adherence to Equalities legislation.

7.8.3 An Equalities Impact screening assessment has been completed and is attached with this report. No impact, either positive or negative, has been identified because of these proposals.

7.8.4 The screening form has been signed off by the equalities team.

7.9 Climate and Environment Impact

- 7.9.1 The recruitment of more local service providers should enable the council to potentially reduce the travel times between their depots and pick-up and drop off start and finish points. The shorter length of mileage travelled would be a significant contribution to the reduction of emissions and the carbon impact of providing the service.
- 7.9.2 The ability for the council to operate its own contracts also provides the scope for the council to set its own requirements for tenders which could include maximum emission targets for vehicles. This could not be achieved with the current common arrangement where a shared set of requirements is needed for tendering.
- 7.9.3 There are no climate change or environmental implications to this proposal.

7.10 Community Impact

- 7.10.1 There is no direct impact on any community or distinct localities within the Council area.

7.11 Crime and Disorder Impact

- 7.11.1 Subject to adherence to the usual terms and conditions of procurement and Local Government spending, there are no crime and disorder implications arising from this proposal.

8. Background Papers

- 8.1 None