



**Cabinet**  
17 July 2023

**Report from the Corporate Director,  
Resident Services**

**Brent / Harrow Council Inter-Authority Agreement for the  
Provision of a Special Needs Transport Shared Service**

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Part Exempt – Appendices 2 and 3 are exempt as they contain the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"
<b>No. of Appendices:</b>	Three Appendix 1 Inter Authority Agreement Brent & Harrow SEN Passenger Transport Appendix 2 (Exempt) Review of Brent SEN Passenger Transport service Appendix 3 (Exempt) 2023-24 Budget & Forecast
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Chris Whyte, Director for Environment and Leisure 020 8937 5342 <a href="mailto:Chris.Whyte@brent.gov.uk">Chris.Whyte@brent.gov.uk</a>  Simon Finney, Head of Neighbourhood Management 020 8937 5072 <a href="mailto:Simon.Finney@brent.gov.uk">Simon.Finney@brent.gov.uk</a>

**1.0 Purpose of the Report**

- 1.1 This report sets out the intention to enter an Inter Authority Agreement with Harrow Council for the continued provision of Special Needs Transport services for 3 years with an option to extend for a further 3 years.

## **2.0 Recommendations**

That Cabinet:

- 2.1 Notes the contents of this report in relation to the Brent / Harrow Inter-Authority Agreement for the provision of a Special Needs Transport shared service.
- 2.2 Notes that entry into the Brent/Harrow Inter Authority Agreement is required to ensure continuity of service and a means for delivery of the transport operation whilst a wider transformation of the overall service is undertaken.
- 2.3 Approves Brent Council entering a shared service arrangement with the London Borough of Harrow for the provision of special needs transport as set out in paragraph 3.1.7, effective from 1<sup>st</sup> August 2023 for a period of three years with an option to extend by a further period or periods of up to three years.

## **3.0 Detail**

### **3.1 Background and current position.**

- 3.1.1 Both Harrow and Brent Councils have a statutory duty to provide transport assistance to eligible children who access education and college placements. Eligible children are those that have physical and behavioural needs that make the use of personal or public transport unsuitable.
- 3.1.2 Both authorities also provide non-statutory transport arrangements for eligible adults attending day care centres.
- 3.1.3 Brent and Harrow Councils first entered into an inter-authority agreement (“IAA”) for special needs transport (“SNT”) in September 2016 which was to expire on the 31<sup>st</sup> of July 2019. Officers exercised the option to extend the IAA for a further 3 years ending on the 31<sup>st</sup> July 2022.
- 3.1.4 During 2022, the Council commenced a cross-department 2-year collaborative review and transformation of the SNT client-side model, the policy framework that underpins the service and the operational delivery by Harrow. The review and transformation were scheduled to commence in late 2022 and officers therefore gained approval to extend arrangements with Harrow and entered into a short term IAA (See Appendix 1) for a further 1 year period to 31<sup>st</sup> July 2023 in order to provide time for all parties to reach consensus on longer term options.
- 3.1.5 The SNT review and transformation work while primarily focusing on client-side changes, including a review of travel policy, transport commissioning and the introduction of personal travel budgets, also recommended a number of changes that have an impact on the IAA itself. These include the establishment of a cross service client team – an element of which is based in Harrow to be involved with day-to-day operations, a cross service travel board,

revised key performance indicators and more involvement by Brent officers in third party contractor procurement and management.

- 3.1.6 While the SNT review and transformation work is still currently ongoing, advice previously provided by Edge Public Solutions as part of an independent assessment of options (See Appendix 2) was that a continued IAA approach with Harrow Council is recommended as the best way forward subject to a number of changes being made in order to better serve Brent's requirements (See 3.1.7 below). This report seeks approval for that renewed IAA approach for 3 years from 1<sup>st</sup> August 2023 with an option to extend for up to a further 3 years.
- 3.1.7 Officers recommend entry into an IAA based on the current IAA at Appendix 1 but with the following key changes:
- Establishment of a Brent officer team to be included in the Harrow operation at a decision-making level for the duration of the IAA.
  - Establishment of a revised suite of key performance indicators
  - Improved client-side access to operational and financial data held by Harrow
  - Increased involvement in associated third party contract procurement and management, and
  - Greater contractual accountability by Harrow for financial efficiency related to the IAA.
- 3.1.8 The current IAA with Harrow has delivered successful outcomes. These include the delivery of route sharing initiatives resulting in a shared savings of circa £250,000 each year, economy of scale savings through the procurement of large contracts and reductions in carbon emissions as a result of fewer and shorter journeys being made.
- 3.1.9 As with the current IAA, Harrow will be responsible for operational service delivery of the shared service from its Harrow Council depot hub. Harrow will also continue to lead on the required procurement and management of third-party supporting contracts such as labour, taxi, vehicle provision and related IT, this time with more input from the Brent team.
- 3.1.10 The current number of clients transported by Harrow on behalf of Brent is approximately 1228 SEN children and 119 adults.
- 3.1.11 In terms of comparable size and scale of the transport services provided by Harrow on behalf of Brent, there are currently 92 in-house operated routes and 223 taxi routes compared to 74 in-house operated routes and 123 taxi routes for transporting clients in Harrow.
- 3.1.12 Year on year service demand increases by a net average of around 5%.

## **3.2 Implications of this proposal**

- 3.2.1 The overall IAA arrangement will continue to be governed by both Authorities through the joint SNT Board.
- 3.2.2 The core aspects of the current IAA will largely remain unchanged save for key differences listed under 3.1.7 and will continue to include provision for:
- a) Objectives and partnership working.
  - b) General operational arrangements.
  - c) Governance including the Special Needs Transport Advisory Board and change control mechanisms that govern how the increase in activities are agreed, costed and financed.
  - d) Performance and finance review meetings that govern discussions on finance matters and revised key performance indicators and rectification plans that underpin the resolution of any non / underperformance.
  - e) Monitoring reports and monthly meetings to track financial savings and operational performance of the shared service.
- 3.2.3 This IAA will provide a continued opportunity over the 3-year term for both councils to gain the benefits of economies of scale in contractual arrangements, greater efficiencies in operational front line staffing (drivers and passenger attendants) and the benefits of shared policies and approaches from cross working with staff, systems and processes from both authorities.
- 3.2.4 The proposal also provides the continued opportunity for shared utilisation of premises and assets to create efficiencies of the combined service in the following areas:
- a) Premises – Harrow is able to offer shared fleet parking and office facilities at the Harrow Council Hub.
  - b) Route sharing and route reduction on border routes.
  - c) Fleet - greater economies of scale and market leverage are created through the pooling of demand from respective Councils.
  - d) Systems and processes – this includes the use of a single routing and scheduling IT system.
  - e) Contractual arrangements – Transport Service Taxi Framework and the Labour Supply Contract with NR Limited are currently in term and provide better contractual terms given the larger value contracts.
- 3.2.5 In addition to the operational and contractual efficiencies listed in paragraphs 3.1.8 there is also scope to achieve further savings from passenger journey management and income producing activities. These will be jointly reviewed by the SNT Advisory Board under these continued IAA arrangements.
- 3.2.6 Although the SNT service will work hard to keep operational costs at a minimum, it is not able to influence demand. While the majority of the annual cost and year on year uplift are related to passenger numbers and growth there will be added accountability in the new IAA for financial efficiency in areas where the service can achieve savings such as route rationalisation and income generation. Future client-side policy direction and commissioning will

however be key in significantly influencing the level of savings or cost pressures in the shared SNT service.

#### **4.0 Financial Implications**

- 4.1 Under the current IAA, Harrow leads on the delivery of Special Needs Transport service on behalf of Brent. The full costs of the Brent operation are therefore recovered by Harrow via quarterly invoices. The financial process as outlined below will remain the same in the new IAA.
- 4.2 At the beginning of each financial year Harrow submit a full year forecast for approval by the SNT Advisory Board. Financial progress reports and forecasting updates are thereafter discussed in detail at monthly finance meetings and used to inform Brent forecasts. A quarterly financial update is also presented by Harrow to the SNT advisory Board for sign off.
- 4.3 Toward the end of the financial year (February / March), demand led pressures are identified and agreed and used to inform future growth bids.
- 4.4 The current Harrow forecast for 2023/24 is £13,352,099. The current BTS budget is £12,404,465. This is after £700k growth, and a £16k uplift on accommodation and parking cost has been applied. This therefore presents a £947,634 gap in Year 1 of the new IAA. Officers are working to mitigate this by making further in-year savings through the ongoing transformation work – the outcomes of which cannot be accurately forecasted at this stage.
- 4.5 Harrow typically forecast a worst-case scenario at the start of the financial year (See Appendix 3), so £500k has been reduced from the forecast, as passenger numbers become more certain.
- 4.6 On the basis of entry into a signed written IAA, the Corporate Director, Finance and Resources confirms his agreement to the proposed IAA in order to satisfy the requirements of Contract Standing Order 85(a).
- 4.7 The significant financial pressures relating to this operation and the demand for the service will be addressed through the separate service transformation review that is underway.

#### **5.0 Legal Implications**

- 5.1 The recommendation in this report is for the Council to enter into an IAA with Harrow Council for SNT services. The SNT service will operate under an IAA that sets out the financial arrangements, as well as the legal and contractual obligations applicable to the parties. The IAA will also set out key performance indicators and service standards and address data sharing issues.
- 5.2 Regulation 12(7) of the Public Contract Regulations 2015 (“the Regulations”) establishes that where two or more local authorities enter into a contract exclusively between themselves, provided the arrangement fulfils three

conditions the contract would fall outside the scope of the majority of the provisions of the Regulations. The three conditions are as follows:

- a) The contract establishes or implements a co-operation between the participating contracting authorities with the aim of ensuring that public services they have to perform are provided with a view to achieving objectives they have in common.
- b) the implementation of that co-operation is governed solely by considerations relating to the public interest; and
- c) The participating contracting authorities perform on the open market less than 20% of the activities concerned by the co-operation.”

5.3 Officers consider that entry in to the IAA as recommended fulfils the criteria in paragraph 5.2 above.

5.4 The estimated value of the proposed IAA for the initial 3 year term is £43,000,000 and therefore it is classed as a High Value Contract for the purposes of the Council’s Contract Standing Orders. Contract Standing orders require that High Value Contracts are ordinarily procured via a tender process. However, Contract Standing Order 84(a) provides that subject to compliance with procurement legislation, Members may agree an exemption from the requirement to procure in accordance with Contract Standing Orders where there are “good operational and/or financial reasons”.

5.5 For the reasons detailed above, it is not considered that there is a breach of procurement legislation as Regulation 12(7) permits the joint collaborative partnership proposed between authorities. Furthermore, Officers consider that there are good operational and financial reasons for entering into the IAA with Harrow as set out in paragraph 3 of this report.

## **6.0 Equality Implications**

6.1 The Council must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment and victimisation
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,

pursuant to s149 Equality Act 2010. This is known as the Public Sector Equality Duty.

6.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

6.3 The purpose of the duty is to enquire into whether a proposed decision disproportionately affects people with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision. Due regard is the regard that is appropriate in all the circumstances.

6.4 The proposals in this report have been subject to screening. There are no proposed strategic delivery changes to the current IAA that would cause any adverse equalities impact and a further equalities impact assessment is therefore not required.

## **7.0 Consultation with Ward Members and Stakeholders**

7.1 Information has been shared with Members and stakeholders of Officers intention to enter into a further IAA with Harrow.

## **8.0 Human Resources / Property Implications (if appropriate)**

8.1 This report has no direct impact on Brent staff or property assets.

8.2 A Brent client team is being developed that is intended to operate primarily from the Harrow Hub depot. This team will sit within and report to and be managed by Environment & Leisure.

**Report sign off:**

**Peter Gadsdon**  
Corporate Director Resident  
Services