

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to: Audit Committee

Report of: Director Education and Skills

Date of Meeting: 28 January 2020

Subject: Travel Assist - Commissioning, Safeguarding and Quality Assurance

Wards Affected: All

1. Purpose of report

- 1.1. To outline the findings of the internal audit of home to school transport dated 2 October 2019.
- 1.2. To summarise the actions taken by Education and Skills and progress made as a result of the Audit report.

2. Recommendation

- 2.1. To note the report.

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3. BACKGROUND

- 3.1. In September 2018 Birmingham City Council had been made aware that its largest provider of home to school transport, Accessible Transport Group (ATG), was experiencing financial difficulties. These difficulties were cited at the time as being cash flow issues. In response an advance payment was agreed and paid. Payments then reverted to the normal cycle and the company's position appeared to have stabilised until further contact in late February 2019, when ATG made a request for a loan citing cash flow issues. They had also contacted Transport for West Midlands (TfWM), who ultimately agreed an advance payment to alleviate cash flow issues.
- 3.2. In March 2019 Birmingham City Council was informed by ATG that they were insolvent, and subsequently they went into administration.
- 3.3. As it was the Council's largest provider of home to school transport, ATG's administration threatened considerable disruption. ATG's administrators continued to run transport services with little disruption during the administration period until the end of the summer term in July 2019, with considerable support from Education and Skills officers.
- 3.4. Work was immediately undertaken to identify and appoint a new provider. This resulted in National Express completing the purchase of ATG and launching National Express Accessible Transport (NEAT) to run home to school services from 1 August 2019. More information is available in Cabinet reports of 26 March 2019, 22 May 2019 and 15 July 2019.
- 3.5. Following ATG entering administration in March 2019, the Education and Skills directorate immediately commenced a review of the robustness of the other home to school transport providers. Initial work identified weak governance in relation to commissioning and contract management within the directorate. Due to the nature of these concerns, the Education and Skills directorate commissioned Internal Audit to undertake an urgent audit of this area.
- 3.6. The scope of the audit was to establish the extent to which:
 - A commissioning framework is in place for the selection and procurement of transport providers for children and young people.
 - There are formal procedures in place covering the commissioning and managing of home to school transport providers for children and young people.
 - Appropriate due diligence checks have been carried out on all home to school transport providers.
 - Robust safeguarding checks have been undertaken on all transport providers and their drivers and guides.
 - Effective and on-going contract management and quality assurance processes are in place for home to school transport providers.
 - Children and young people are only transported with approved providers appearing on the Education and Skills Directorate's commissioning framework.
 - Extension of the contract was appropriately authorised.

In addition to the above, internal audit worked with the Education and Skills directorate to establish solutions to the issues identified.

4. AUDIT RECOMMENDATIONS AND ACTION TAKEN BY EDUCATION AND SKILLS

- 4.1. Whilst the audit was underway, the Education and Skills directorate established a response team to oversee the running of ATG's transport routes during administration, work on identifying a new provider to take these routes over and ensure progress was made against the actions identified. The response team comprised of senior officers from home to school transport, audit, commissioning, data and intelligence with other officers joining the team when necessary and a programme manager monitoring and driving progress. During this period there was also close liaison with TfWM.
- 4.2. The audit report Appendix 1 made 19 recommendations to manage the risks that had been identified.
- 4.3. Audit's recommendations, and the action taken by the Education and Skills directorate to ensure all the recommendations have been met, are set out below and in Appendix 1.

4.3.1 An up to date commissioning framework should be developed as part of the new contractual arrangements being put in place. Only providers on that framework should be used and on-going checks must be carried out by the Head of Service and their line manager to ensure compliance to this framework.

An up to date commissioning framework has been developed and is now in place for the implementation of a Dynamic Purchasing System (DPS) from January 2020. Only providers that have passed the entry requirements onto the DPS will be used. Ongoing checks are being carried out to ensure compliance.

4.3.2 Contracts should only be extended for a maximum of one year unless there are circumstances that preclude this from happening and this must be approved in advance by the Director of Education & Skills and authorised by Cabinet.

The new commissioning framework sets out that contracts are not extended without proper authorisation as set out above. The National Express Accessible Transport (NEAT) contract, which commenced on 1 August 2019, will run for two years with no extension period.

4.3.3 Wherever possible, the Education and Skills Directorate should use Corporate Procurement Services (CPS) when commissioning new contracts or contract renewals. This will help ensure the contents of the contract meet all legal requirements, best practice and the correct procedures are followed.

CPS have seconded two members of staff to Education and Skills with part of their time dedicated to home to school transport. All new contracts will be commissioned using CPS.

- 4.3.4 *The safeguarding requirements contained in any future contracts must be strengthened and include a requirement to follow recognised best practice in relation to DBS checks.*

A variation to the T23 Framework was made on 1 August 2019 which immediately strengthened safeguarding requirements for all providers. All suppliers are being visited to provide them with information, advice and guidance on safeguarding with the largest operators visited first. The programme of visits will be complete by the end of January 2020. Strengthened requirements have been included in the NEAT contract and will be of the same high standard in the DPS.

- 4.3.5 *Formal procedures of the processes that need to be followed in relation to home to school transport must be drawn up. This will give staff a clear understanding of the processes that need to be followed. The development of these procedures provides an ideal opportunity to identify any unnecessary processes or where additional controls are needed. The procedures should be reviewed and where necessary updated on an annual basis.*

Processes have been mapped to improve the customer journey and facilitate more efficient working practices. Work has commenced to implement any immediate improvements and testing is underway about the feasibility of digitising the service and the possibilities for introducing efficiencies.

- 4.3.6 *Due diligence checks must be undertaken on all transport providers before entering into a contract with them. This must include the financial stability and the suitability of the provider to deliver home to school transport. Regular re-tendering of this contract will drive on-going due diligence checks.*

Comprehensive due diligence checks on providers take place as part of the DPS procurement process. This includes financial stability and suitability to deliver home to school transport.

- 4.3.7 *The Education and Skills Directorate must continue to cleanse and correct the driver and guides management information (the safeguarding/DBS information) to ensure it is complete, accurate and up to date.*

The driver and guide information was cleansed and corrected by July 2019. This data continues to be reviewed and updated and the directorate is considering a digital system to make this process more efficient.

- 4.3.8 *The current process of recording safeguarding checks on different records must cease and a Single Central Record showing providers, drivers, routes, children, guides and the safeguarding checks must be established, monitored and kept up to date.*

A single record of all routes is now in place and is being maintained and updated, linked to the new Dynamic Procurement System that was implemented in January 2020. The Assistant Director for SEND and Inclusion, working with ICT, has undertaken a review of the systems required, with the intention of implementing one system across the directorate.

- 4.3.9 On-going safeguarding audits must be introduced so that the Travel Assist Team can be assured that the providers are undertaking the required safeguarding/DBS checks on their drivers. This must include sample testing of the drivers' DBS certificates. Records of the audits must be retained, and the results reported to the appropriate Assistant Director.*

Providers were notified of their safeguarding responsibilities via a contract variation in August and visits are underway to provide them with additional guidance. A programme of audits is underway and will be completed by the end of January 2020. These audits RAG rate the providers' compliance with their contractual obligations.

- 4.3.10 The Head of Service should introduce arrangements to ensure the key management information in relation to drivers, providers, routes, children and safeguarding is accurate, up to date and complete. It is suggested that this is achieved through monthly verification checks. The results of these checks should be reported to the appropriate Assistant Director.*

This action has been completed and the key management information is in place. In addition, the Assistant Director for SEND and Inclusion, working with ICT, is undertaking a review of the wider systems required to improve the service. This review will be complete by the end of January 2020.

- 4.3.11 The Education and Skills Directorate must introduce a new safeguarding / DBS checking process for assessing positive disclosures.*

Based on legal advice and recognised good practice from elsewhere in the country, the revised contractual arrangements require contractors to make decisions over the suitability to employ drivers who have positive disclosures. This was previously undertaken by Birmingham City Council Human Resources. Separately, Birmingham City Council's corporate policy for Disclosure and Barring Service (DBS) checks is being reviewed. As set out above, a programme of visits is underway to confirm suppliers are complying with their safeguarding obligations.

- 4.3.12 A review of the Council's corporate DBS policy and arrangements (including those in relation to commissioned services) must be carried out to ensure they are robust, fit for purpose and do not expose BCC and its service users to unacceptable risks.*

The directorate follows the corporate DBS policy for all its staff. Responsibility for the council's corporate DBS policy and arrangements sits with BCC HR who have confirmed a review is underway that they will be reporting on separately.

- 4.3.13 The serious incident (referred to in the report) by one of the commissioned transport providers, in relation to the DBS and safer recruitment process must be independently formally investigated to establish how this occurred as well as identifying how the systems can be improved to prevent it from happening again.*

In November 2019 the Council commissioned an independent senior officer to look into the issues around the incident referred to in the report. This investigation made a number of recommendations which the Education and Skills Directorate is now taking forward, with BCC HR. A deeper investigation of the issues identified is underway and will be completed by the end of January 2020.

- 4.3.14 Quality assurance checks in relation to the drivers and the providers must be introduced as soon as possible to monitor and manage the quality of services. The results of these should be recorded and results analysed, and issues rectified.*

A programme of quality assurance checks is underway with the largest operators visited first. The quality assurance checks will be complete by mid-January 2020.

- 4.3.15 KPIs should be drawn up to measure the achievement of key service delivery objectives and MI produced on a monthly basis to monitor the results. For example; quality assurance checks – target to actual. These should be reviewed by the Head of Service and appropriate Assistant Director on a monthly basis.*

KPIs have been drawn up and were included within the new contractual arrangements when they commenced (from 1st January 2020). These will be monitored on a monthly basis by the Head of Service and Assistant Director for SEND and Inclusion.

- 4.3.16 Dedicated contract management capacity should be put in place to manage home to school transport contracts.*

A dedicated contract management team is in place to manage home to school transport contracts. This team includes a commissioning and contracts manager on secondment from CPS.

- 4.3.17 Any sub-contracting of routes must only be undertaken once all legal and contractual requirements have been met and proper approval has been given. This must not be done based on a verbal agreement.*

This practice was immediately stopped upon discovery and the Council formalised all subcontracting in line with the contractual requirements.

- 4.3.18 Any future contracts, where Cabinet delegate approval for their extension to the Directorate must be actioned and authorised by the Director of Education & Skills. The reasons for extending the contract must also be recorded as part of any approval and reported to Cabinet once complete.*

The dedicated contract management team is responsible for ensuring that appropriate approval is obtained for future contracts.

- 4.3.19 Where required, amendments made to contracts should be done through a Deed of Variation to ensure these variations are legally enforceable. The use of CPS will help ensure this is done correctly.*

The dedicated contract management team also has responsibility to ensure that amendments are actioned correctly.

5. CONCLUSION

The actions highlighted in this report to address issues in relation to commissioning, safeguarding and quality assurance of provision part of a wider service response to improving the support and provision for children and young people who access city wide Home to School Transport.

The Directorate continues to prioritise its work to improve Home to School transport services. An extensive work programme is underway to address whole system improvements linked to the wider transformation of SEND services.

6. APPENDICES

Appendix 1: Final Audit Report: Travel Assist – Commissioning, Safeguarding and Quality Assurance