

DRAFT SAVINGS PROPOSAL

Proposal Title:	Adults Transport Savings		
Reference:	SAV / HAC 002 / 21-22	Savings Type:	Service transformation
Directorate:	Health, Adults & Community	Savings Service Area:	Adult Social Care
Directorate Service:	Integrated Commissioning / Adult Social Care	Strategic Priority Outcome:	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement
Lead Officer and Post:	Darren Ingram, Service Manager, Access to Resources	Lead Member and Portfolio:	Cllr Rachel Blake, Deputy Mayor and Cabinet Member for Adults, Health and Wellbeing

Financial Impact:	Current Budget 2020-21	Savings/Income 2021-22	Savings/Income 2022-23	Savings/Income 2023-24	Total Savings/Income
Budget (£000)	2,328	(100)	(100)	-	(200)

Staffing Impact (if applicable):	Current 2020-21	FTE Reductions 2021-22	FTE Reductions 2022-23	FTE Reductions 2023-24	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Adults and Children's passenger transport has been the subject of a strategic review by Grant Thornton with a number of recommendations arising from it around better utilisation of the internal transport fleet, route optimisation and savings achieved through more cost-effective external transport routes delivered via a dynamic purchasing system (DPS). It is not clear what savings have been identified as part of this work and which are apportioned to Health, Adults and Communities. Further work will need to be done to ascertain the corporate savings already identified to ensure there is no double counting.

The three main opportunity areas for savings/income generation are:

Re-commissioning external transport routes through the Dynamic Purchasing System

Following a re-tender of external transport in 2018, which resulted in a greatly reduced number of providers on the framework, costs for external transport increased. Costs for Health, Adults and Communities had increased by approximately £135k since 18/19. A dynamic purchasing system (DPS) has recently been set-up to encourage greater competition and with the intention that the routes would be re-tendered to achieve better value but at this stage there are still only a handful of providers signed up to the DPS. Work is ongoing to increase the numbers but at this stage no routes have been re-commissioned through the DPS. If all routes were re-tendered and close to previous prices were achieved the savings for adults could be in the region of 10% or £80k. (this figure excludes the college routes as the proposal below is to bring them in-house if possible). This amount would likely be reduced due to inflation since those rates were commissioned. For this to be successful the DPS needs to stimulate competition.

De-commissioning the two Tower Hamlets College routes and bring them in-house

The Council spends approximately 200k on external transport taking students to and from Tower Hamlets college. Previously the in-house transport service has been unable to provide transport to this group of service users as the timings clash with the SEND/school transport. It has recently been suggested that as a result of the planned new fleet being purchased which allows for improved route optimisation, these routes could be brought in-house. If possible this would mean that notice could be given to decommission those routes. There may be some increased costs for the in-house service e.g. staffing that could reduce the saving but if the routes could be brought in-house there would be potential savings. Notice on the routes would need to be given and any change would probably need to coincide with the start of a school term if not a school year and this would impact on the saving. The saving has been split the saving across two financial years based on a September 2021 change. An initial amount of £100k has been estimated.

Reduction in transport use through a reduction in day service attendance*

There is work underway to review both externally commissioned and internal day service attendance with a view to reducing it, this work will potentially have an impact on transport spend. Additionally, understanding where the use of the mobility component of the DLA could be used instead of the Council funding transport could generate savings – by removing transport already provided and by avoiding future spend.

For external transport routes any routes no longer needed from the above measures would need to be decommissioned with a saving released. For internal transport routes a reduction in day service attendance would not necessarily release a saving immediately as the internal transport re-charge is effectively a block payment. It could lead to a reduction in the

proportion of the total costs being apportioned to Health, Adults and Communities, however unless those overall costs reduce then they would merely be apportioned to Children & Culture. To understand the potential savings for both external and internal transport that a reduction in day service usage would enable we would need to have information on the expected reduction. Further work is needed with those within Integrated Commissioning and Adult Social Care around this area. A nominal amount of £20k has been added to the amount proposed on the DPS savings above.

*There is a potential overlap with this saving through the DPS.

How does this proposal contribute to achieving the strategic priorities of the Council?

“The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement”

Does the proposal alter patterns of statutory provision? If so, please describe how the Council will continue to meet its statutory obligations

No.

What Service will this saving impact?

Adult social care.

Are there any staffing reductions?

There are no direct staff reductions as a result of the savings ideas. However, a reduction in usage of transport due to a reduction of day service attendance may impact on the staff required within the transport service going forward.

Detail any required procurement activity.

De-commissioning of external routes as appropriate. Continued work to attract suppliers to join the DPS.

Detail any requirements around contract renegotiations

Discussions with the TSU are needed to ascertain if the college routes could be brought in-house.

What stakeholder engagement is required? Any statutory consultation required?

Statutory consultation not required. Consultation with stakeholders would likely be picked up through the day services work, the impact on transport would only arise as a result of that work.

Risk and Mitigations:

At this stage the main risks are:

- That the savings identified here are already accounted for in other savings proposals
- That the in-housing of the college routes does not prove to be feasible
- That the re-commissioning of the external routes through the DPS does not achieve the savings identified
- That there is an overlap in the work on re-designing day centres and the increased use of the DPS
- That the potential re-direction in the use of mobility allowance is lower than anticipated

Mitigation:

- Further work to better understand any corporate savings identified for transport
- Market engagement work to ensure increased competition for routes through the DPS
- Further links to the day centre re-modelling work

Resources and Implementation:

For in-housing the college routes work will need to take place with the transport service.

- Further work to understand the potential re mobility allowance

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	No

Additional Information and Comments: