

PEOPLE SCRUTINY COMMITTEE

20 APRIL 2022

QUESTIONS FROM MEMBERS OF THE PUBLIC

(1) Questions from Philomena Johnson to the Cabinet Member for Children and Learning

- (a) Why was a contract of such length awarded to a novel scheme and with a provider who has no such track record of developing and partnering in this type of service venture?**

The length of the Joint Venture procured via the market was determined based upon feedback following supplier market engagement and also recognition of the investment that would be required by the successful partner in terms of TUPE of staff, set up costs, provision of fleet and the time required to transition from sub-contracts to self-delivery. This scheme is already available within the market and the procured partner had experience in delivering transport services for other local authorities.

- (b) Why was the council caught so unaware that the service was insufficiently ready to go live?**

As part of the preparation for any new school year, officers from the Council's SEND team and transport team work closely with all providers. This preparation includes processing applications for eligibility, communication with parents regarding particular needs and then processing that information through the council's transport teams who work directly with the provider. As part of this process, scrutiny of matters such as route planning, communication with parents and schools and arranging 'meet and greets' are planned in advance.

However, officers started to raise some concerns regarding elements of the above as early as April and escalated these through the appropriate channels. Initially, assurances that all was in order were provided. However, it became apparent that several of the features that could have been reasonably expected to be in place were not as robust as we would have required, and the matter was raised directly with managers from Vecteo. Vecteo advised in June/July that everything was going to plan but there could be issues with recruitment of drivers. However, they indicated that they had an excellent package to use sub-contractors for a while to mitigate the impact of a shortage of drivers if needed. Further issues were raised by the Council, but reasonable explanations and assurances and alternatives were given during these months and a challenge on the use of 30-seater vehicles was successful.

Assurances were given by Vecteo that all was in order for a smooth transition. This challenge continued in the build-up ahead of the transition in late summer and each time assurances were given that Vecteo were prepared for the go live date.

It is now clear that taking these assurances in good faith was ill-founded and in hindsight, we should have been more robust in its challenge to Vecteo, and less accepting of the responses given. At no time we were advised that their data management system was not working which had a major impact on the data they held and incorrect addresses and student numbers not known. I have said before

and I would like to say again that we are sorry for the very poor services that children have received and particularly for the service at the start of the 2021/22 Academic year.

(2) Questions from Liam Slattery to the Cabinet Member for Children and Learning

- (a) Did the SBC seek support and/or advice from Crown Commercial Services or any other independent source in the completion of the procurement exercise?**

The Council's Procurement Team works very closely with Crown Commercial Services (CCS), but transport services are not area CCS would specialise in. Clearly, they are very knowledgeable in terms of procurement processes and the application of the Public Contract Regulations, and the audit conducted by the Council has highlighted that the procurement process was robust and compliant. In terms of independent support, Essex Legal Services were supporting and advising throughout the procurement process.

- (b) If this was due to false information from the service why has there been no repercussions beyond the removal of one manager from Vecteo?**

The Vecteo manager stated in the lessons learnt review that he had been overly optimistic during the mobilisation of the new service delivery model, but that he had honestly believed that he would have everything resolved by the time of go live. This is why reassurances were given by Vecteo when SCC raised concerns during this time. It is not believed that false information was deliberately provided as it was believed to be true when it was provided. This overly optimistic approach of the Vecteo manager applied equally to reassurances that he provided to the company board. It was therefore appropriate that the manager left the organisation rather than implying further sanctions.

(3) Questions from Jo Richardson to the Cabinet Member for Children and Learning

- (a) What internal investigations on the competency of SBC contract management has been undertaken and what action taken as a result?**

An internal audit was undertaken into the SCC contract management function prior to go live and this highlighted some opportunities for improvement and an action plan was developed and implemented. The lessons learnt review also interviewed the SCC contract manager as part of the review and this highlighted several options for future improvement. Due to the extent of the challenges with the Vecteo service delivery it was decided that the SCC contract management team would be seconded to Vecteo to help them overcome specific issues. This was an unusual step and did not help SCC in its contract management role, but it was felt that assisting Vecteo to improve their offering urgently was a more appropriate use of this dedicated resource.

- (b) Why did SBC issue a false statement to ITV News claiming regular risk assessments had been undertaken when they knew this to not be true (ref the instigation piece by ITV News and the statement issued in reply in the name of Cllr Burton - note: member of this working group raised this with Michael and Cllr Burton and there is yet to be any explanation or public addressing of this false claim)**

The media statement was based on information given at the time and was believed to be correct. Unfortunately, we subsequently found that it was not correct. This was addressed in the most recent press release issued on 17 March 2022 ahead of the Audit Committee. The media release included the following paragraph:

“One of the issues identified in the report is the need for the council to have better oversight of the Vecteo service and the example given in the report relates to the importance of risk assessments for the children using the home to school transport service.”

In the media release, a quote was also included from myself which stated: *“When the Vecteo failures became public in September, a statement was issued to the press about risk assessments that was incorrect. Our information was that risk assessments had been done, however this was not the case. As outlined in the report, this is something which due to its importance, should have been done to manage and mitigate safeguarding risks. I apologise for any misunderstanding or upset the statement caused however it was based on the information we had at the time – we now know that was not complete.”*

(4) Questions from Kim Drake to the Cabinet Member for Children and Learning

(a) Why have the council refused to share a copy of the contract with Vecteo (subject to redacted commercial information) as promised?

The Council takes the view that contracts of this type are confidential in nature. This relates both to the commercial sensitivity of the issues in this case, both in relation to the financial and commercial interests of Vecteo and the other shareholder, London Hire, but also the general sensitivity relating to users of the contract. In this case in particular, the Council has additional obligations of confidentiality to London Hire under the terms of its joint venture.

However, because of the public interest being raised in the issues relating to this contract generally, the Council has reviewed the position as to whether any disclosure would still be appropriate.

Following that review, the Council is prepared to disclose a suitably redacted version of the contract, which will balance those confidentiality issues with the wider public interest in disclosure of the general terms of the contract.

(b) Why have management refused to share the KPI and SLA details?

The response to this question is covered by the response to question 4(a) above.

(5) Question from Becky Verrall to the Cabinet Member for Children and Learning

(a) Why have risk assessments only been shared with parents 7 months after their child started using the Vecteo service?

Specific risk assessments based on individual passengers and routes were compiled in October 2021. The process of sharing these with Parents has however taken a considerable amount of time and is currently due to be completed by the end of April 2022. Significant staff shortages due to Covid have delayed the dissemination and agreement of these important documents. Vecteo decided that rather than posting these documents it would deliver them by hand with the aim of discussing them with the parent at that point. Previously posted questionnaires

have had a low response rate of circa 20%, and it was felt that this would be unsatisfactory with regards to agreeing these documents.

(6) Question from Louise Robinson to the Cabinet Member for Children and Learning

- (a) As headteachers we are aware that there are still issues on transport that have not been shared with the council, for example a pupil opening the door of the bus as the bus was moving. This is a direct violation of the key performance indicators, the fact that this was not reported to the council - what actions have occurred since the council was made aware of this incident?**

The Council was made aware of the incident by you as the Headteacher of the school, but no other account had been received. Officers immediately contacted Vecteo to confirm the details of the incident, and to ascertain why Vecteo had not reported this incident.

The following day one of the managers at Vecteo responded to the email and described the incident. They reported the matter to the school staff and logged the incident on their central system. The next day they introduced a harness for the pupil and intend to introduce a second passenger assistant for the start of the summer term for a period of time. They report that the intention was to report this to transport officers as part of their monthly meeting.

Senior officers will meet with the operational manager to discuss why this incident was not reported immediately. In view of the sensitivity of performance delivery issues, it is disappointing that Vecteo did not report this matter immediately.