

Internal Audit Services

Report

Transport Joint Venture – Contract Management of Core Services

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Audit Team

Auditor	Doug Cooley
Audit Manager	Claire Goad

Distribution List

Service Manager, Integrated Transport & Fleet Solutions	Anne Warburton
Head of Internal Audit	Andrew Barnes
Head of Civil Engineering	Neil Hoskins
Interim Executive Director Neighbourhoods and Environment	John Burr
Vecteo Board Members	Various

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Transport Joint Venture – Contract Management of Core Services

Objective

To assess the performance of the Council's Joint Venture Company (Vecteo), which has been responsible for delivering core transport services throughout Southend since 1 March 2020. The review will consider whether Vecteo is:

- Delivering core transport services in accordance with both (i) the specifications detailed in the Service Agreement and (ii) the commitments made in the tenderer's winning bid submission; and
- Reporting its actual performance results accurately, transparently, and in a timely manner.

We have identified a number of issues in relation to Vecteo's processes for managing the contract, as well as in relation to the Council's arrangements for governance over the service and its oversight of Vecteo.

In particular, Vecteo does not produce or retain data to demonstrate whether it complies with all of the contract's Minimum Service Requirements (MSRs), though work is underway to implement this. Vecteo's Management Information reporting to the Council did not reflect the contract's Key Performance Indicators, and also contained inaccuracies. Moreover, until November 2021, Vecteo did not have a defined process for logging and responding to Service User complaints.

There were particular issues in relation to subcontractor management, where Vecteo does not have defined processes in place for reporting of management information from subcontractors which deliver parts of the contracts on its behalf, or for cascading relevant information to the Council.

Of ten relevant MSRs, for direct delivery, we evidenced that Vecteo can largely demonstrate compliance with five, can partially demonstrate compliance with three, and does not have the data to demonstrate compliance with the remaining two. However, this conclusion applies at a point in time and compliance was weaker prior to November 2021.

Moreover, Vecteo can only demonstrate compliance with one of nine relevant MSRs by its subcontractors.

We noted further findings in relation to the Council's internal governance arrangements, ongoing communication between the Council and Vecteo, and the production of risk assessments for routes and / or individual children, which are key for managing safeguarding risk.

Scope

The key risks audited are set out in the Action Plan attached at Appendix A, with details of any action required to mitigate them further.

Recommendations are only made where they are necessary to further mitigate the risks audited. Therefore, they should be implemented by the date agreed unless there is a good operational reason why this is not practical.

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Value

The financial value of the Council's contract with London Hire Community Services is £2m annually. However, the contract also carries significant reputational and legal risk because it relates to the safeguarding of children and vulnerable adults, for whom the Council has a duty of care while transport services are provided.

Key Themes

Since March 2020, Southend Travel Partnership Limited is responsible for running the Council's core transport services under a Service Agreement with the Council. Southend Travel Partnership Limited is a joint venture company (JVC) formed between London Hire Community Services (LHCS) and the Council. The company is known as 'Vecteo', through which the core services are delivered. LHCS and the Council have equal voting rights within the JVC, and all decisions are required to be made by "unanimous" consent in accordance with the company's Articles of Association.

As part of the 2020/21 audit programme, Internal Audit reported to the Council on its processes in managing and governing the Service Agreement with LHCS and Southend Travel Partnership Limited. As part of that report, we made a number of recommendations as to the Council's management of the Service Agreement. One of these recommendations was to develop an understanding of Vecteo's key processes and controls in order to enable the contract management team to identify areas of risk and design appropriate controls / review activities to manage and mitigate against these risks occurring.

Since the beginning of the JVC, a number of issues have materialised in relation to transport services in Southend. In particular, a number of child safeguarding issues arose in September 2021, including one particularly serious incident.

In this review, as part of the 2021/22 audit programme, we have directly interviewed Vecteo staff and inspected records to understand Vecteo's systems processes and controls. In particular, we have assessed Vecteo's ability to demonstrate whether it is meeting the contract's Minimum Service Requirements, as well as Vecteo's regular Management Information reporting to the Council.

Regarding the Minimum Service Requirements, we performed detailed interviews and document inspection for each requirement to identify Vecteo's compliance. Two of the 12 MSRs were not applicable as they relate to services which are currently managed by the Council alongside Vecteo's subcontractors, and with which Vecteo currently has no direct involvement.

Of the remaining ten MSRs, Vecteo was largely able to demonstrate compliance with five of these MSRs, and was partially able to demonstrate compliance with a further three. Vecteo was unable to demonstrate compliance with the remaining two MSRs because it did not have relevant data in these areas.

We noted that Vecteo's ability to evidence adherence to the MSRs had improved between September and November 2021. Of the five MSRs where Vecteo could largely demonstrate compliance in November 2021, as of September Vecteo was unable to demonstrate compliance with three of these MSRs.

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However, this applies only to direct delivery, and we were largely unable to evidence compliance with MSRs by Vecteo's subcontractors, due to a lack of reporting framework implemented by Vecteo in relation to subcontractor performance. Vecteo was only largely able to demonstrate compliance by its subcontractors with one of nine relevant MSRs. We have evidenced that Vecteo is sending templates to subcontractors to facilitate this reporting.

We further identified a number of issues with Vecteo's internal reporting, which means it is unable to provide complete management information to the Council. As a result it is likely that some of the information previously provided in weekly reports was inaccurate due to non-inclusion of subcontractor data, and insufficient retention and processing of some relevant data by Vecteo (e.g. in the case of complaint logging). Moreover, the metrics contained in these reports do not reflect the contracts Key Performance Indicators, and would be unlikely to provide a reasonable picture of Vecteo's contractual performance, even if reported accurately.

We have therefore noted a number of failings by Vecteo in both its delivery and reporting in relation to the contract.

However, whilst the Council contracts out service provision, it retains overall statutory responsibility for delivery. Moreover, the Council would likely suffer significant reputational damage as well as regulator scrutiny if any safeguarding issues were to occur.

Therefore, we also highlight deficiencies in the Council's own internal governance procedures. These were highlighted in our previous report (*Transport Joint Venture Company – Contract Management of Core Services, Reference 20-29, dated September 2021*) but we emphasise in particular the need to allocate clear roles and responsibilities within the Council, in its different capacities both as a shareholder of the Council and as a customer of the company. Moreover, robust contract management arrangements are needed to ensure the Council is able to obtain assurance over Vecteo's contractual performance.

We have identified various areas where the Council has had the opportunity to better manage its oversight of the Service. For example, the need for risk assessments in relation to routes and children has not been clearly defined, including the level of detail in these risk assessments, and whether these are to be produced on a per route or per child basis. Such risk assessments are important for managing and mitigating safeguarding risk. In addition, the Council could have benefited from performing an assessment of Vecteo's readiness to perform the service prior to go live, and established a clear strategy for communication with parents of Service Users.

The above findings highlight a number of improvement areas for both Vecteo and the Council. These are set out in further detail below.

1. Minimum Service Requirements

We have identified a number of ways in which Vecteo is either not meeting, or does not have data to demonstrate that it is meeting, the contract's Minimum Service Requirements (MSRs). We interviewed Vecteo staff to understand in detail the procedures in place for each MSR, and inspected documents as appropriate to evidence whether the MSRs were being met.

A table has been provided at **Appendix B** setting out each MSR, the work we have performed, along with specific findings and recommendations.

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In general, we recommend that issues with the MSR be retained in an Issues Log, to be held jointly by Vecteo and the Council, and ongoing remediation of these issues be tracked through the Contract Monitoring process (see Finding 9 below).

Two of the 12 MSRs were not applicable as they relate to services which are currently managed by the Council alongside Vecteo's subcontractors, and with which Vecteo currently has no direct involvement. We understand that the subcontractors are still paid by Vecteo for delivering the Service, and that the fee paid to Vecteo by the Council has not been adjusted given the variation from contractual arrangements.

Of the remaining ten MSRs, Vecteo was largely able to demonstrate compliance with five of these MSRs, and was partially able to demonstrate compliance with a further three. Vecteo was unable to demonstrate compliance with the remaining two MSRs because it did not have relevant data in these areas. These two areas were Service User meet and greets, and journey time tracking. In some areas, particularly in relation to staff training and to daily loading sheets, Vecteo was unable to demonstrate compliance in September, but was able to partially or largely demonstrate compliance in November when the majority of the audit work took place.

Vecteo had very limited data in relation to the performance of its subcontractors, and was only able to demonstrate their compliance with one MSR (in relation to DBS checks) for its subcontractors.

In addition, a number of key themes were identified that cut across multiple MSRs, and these are summarised below:

- **Data Processing** – We found that in many cases Vecteo did not collect the data to demonstrate whether it was meeting particular MSRs. For example, there is no process to track journey times on a daily basis, although journey times are subject to both contractual and statutory limits. Vecteo also does not hold data on driving licenses held by its drivers, and no record is kept of meet and greets performed with Service Users who are new to the Service.

We note, however, that data processing has improved in some areas since September 2021. For example, a staff training matrix is now held by Vecteo and daily schedule spreadsheets are now retained, indicating which children, drivers and PAs are allocated to which route. Vecteo expects data processing to improve further with the implementation of the new Cordic system by March 2022 which, for example, will allow live tracking of journey times. We recommend that the implementation of Cordic is specifically tracked by the Council, and its success in capturing and reporting the necessary management information is specifically appraised.

- **Subcontractor Reporting** – Limited evidence could be provided of Vecteo's management of subcontractors. We noted in our previous report that *processes also need to be established with the JVC which ensure that the terms of the required performance monitoring regime are reflected in any subcontracts*. As at November 2021, subcontractor reporting to Vecteo was extremely limited. Subcontractors had provided some information to Vecteo regarding staff DBS checks and training (though training information was incomplete). However, there was no reporting by subcontractors of detailed route information (i.e. which children, Passenger Assistants and drivers were allocated to which routes), of journey time tracking, or of performance of meet and greets.

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Vecteo's Logistics and Business Development Manager informed us that such tracking was being introduced, and that templates had been sent to subcontractors, which they would be expected to report daily to Vecteo going forwards. We recommend that the Council continue to track the progress of subcontractor reporting through regular contract management meetings, and that samples of subcontractor loading lists be requested as part of the Council's spot checks on Vecteo's performance.

We recommend that issues in relation to Vecteo's compliance with the Minimum Service Requirements should be collated and captured in a log, to be held jointly by Vecteo and the Council. The issues in this log should be prioritised according to risk. The Contract Management Team should focus its attention on resolving these issues, and the log should be discussed regularly, and tracked through regular contract management meetings between the Council and Vecteo. Progress against these issues should be reported to relevant stakeholders, including senior management, within the Council as appropriate.

2. Management Information Reporting

As part of its Service Agreement with the Council, Vecteo is required to report its performance against contractual Key Performance Indicators (KPIs) on a monthly basis. Reporting of management information between a customer and supplier is necessary to assess the performance of the supplier, and to drive improvement on an ongoing basis.

Relevance of KPIs

We reported in detail on the KPI framework as part of our previous report under **Performance Monitoring**. This includes the limitations of the KPIs currently in use, and noted that some of the KPIs are not relevant to Vecteo's overall contract performance, where other more relevant metrics have been omitted from contractual KPIs.

In particular, the final contract includes phrases such as '[insert number]' which implies that some of the KPIs are incomplete. Moreover, the KPIs themselves are not fully aligned with contractual performance. The KPIs include metrics which may not reflect performance, such as 'number of driver changes', while omitting more relevant metrics that align with the contract's Minimum Service Requirements (MSRs). For example, there is a KPI stating that 'Training and DBS records of all staff to be provided at each review meeting for information' but there are no KPIs tracking the level of training received by staff.

Both the Council and Vecteo have acknowledged flaws in the KPI framework, and expressed willingness to work together to agree a relevant set of KPIs to report going forwards.

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Actual Situation

From March 2020 until October 2021, Vecteo provided the Council with weekly Management Information (MI) Reports, setting out a number of daily and weekly metrics relating to the Service. Because of issues with Vecteo's data processing, and the limited relevance of the KPI framework, these reports reflected an abbreviated version of the contractual KPIs. The metrics reported included the following:

- Number of children transported (daily)
- Number of late journeys (daily)
- Number of vehicle no shows (daily)
- Unexpected changes in drivers (daily)
- Unexpected changes in PAs (daily)
- No PA present where required (daily)
- Safeguarding issues raised AND what Vecteo has actioned (daily)
- Incoming complaints received (daily)
- Double runs still taking place (daily)
- Response rates for communications (daily)
- Office staff covering PA duties (daily)
- Phone calls being diverted to answerphone (daily)
- Outstanding voicemails to be actioned (daily)
- Outstanding emails (daily)
- No. of Routes (weekly)
- No. Passenger Transported (weekly)
- New Passengers Introduced (weekly)
- No. of drivers available (inc.spares) (weekly)
- No. PAs available (inc.spares) (weekly)
- Number of Complaints (weekly).

As part of our Terms of Reference, we undertook to understand how Vecteo obtained the data for these reports.

However, the Council asked Vecteo to stop providing these reports in October 2021 on the basis that Council staff believed these reports to be inaccurate. In particular, the Council believed that the 'number of children transported' metric was too low and likely did not include those transported by subcontractors, based on the Council's previous experience of running the service. Moreover, the Council believed that not all complaints were included in the figure provided, based on the Council's own correspondence with Service Users.

On inquiry with Vecteo staff, we identified that the reports were compiled by a former Vecteo employee, and current Vecteo staff were unsure how the reports had been prepared. In some cases, this is likely to be based on underlying Vecteo data, such as daily loading lists and route scheduling for number of users transported. However, in other cases, the data is not specifically compiled by Vecteo (e.g. outstanding emails) so it is likely that manual exercises were undertaken to collate data rather than using a consistent data source or report. It is therefore likely that the Council's concerns were well-founded as this process opens the information to possible error.

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In particular, the number of children transported per the reports is approximately equal to the number of users listed on Vecteo's own loading lists, suggesting subcontractor data is likely to be excluded. Moreover, Vecteo has not maintained a complaints log (see Finding 3 below) so it is likely that complaints reporting was not accurate.

Vecteo have acknowledged limitations with their current management information but believe this will be improved by the introduction of the Cordic system, which introduces a database with live journey tracking, by March 2020. Vecteo is also willing to implement other systems in the interim to facilitate reporting of mutually agreed KPIs.

Relevance of MI reports

As with the KPIs, we note that the relevance of this reporting, even if accurate, is limited. In particular, many of these metrics relate to Vecteo's internal staffing arrangements, which may not be the best indicator of contractual performance.

No reporting has been in place for some contractual details which may be more relevant, relating directly to the MSRs, such as journey time tracking. The metrics reported are different from reporting obligations as per the Service Level Agreement, including the contractual KPIs. Moreover, the KPIs themselves do not fully reflect the contract's MSRs, meaning that, even if the contract were fully followed, the Council may not receive relevant metrics to enable effective contract management. For example, there is no KPI in relation to training of drivers and Passenger Assistants, which is a key means of minimising safeguarding risk.

Recommendations

We therefore recommend the following:

- The Council's Contract Management Team should determine which metrics would best inform contractual performance. This exercise should consider the MSRs, and be carried out in conjunction with stakeholders across the Council to ensure that the most important metrics are identified.
- The Council should agree with Vecteo a set of metrics to be reported by them, understanding that Vecteo may not yet have data relating to all of these metrics. This agreement should be formalised and be based on those metrics which are feasible to produce in the long run, and which indicate the overall quality of service provision.
- The Council and Vecteo should track Vecteo's ability to report against the agreed metrics on an ongoing basis through regular contract management meetings. These metrics should be included in performance reports as and when they become available.

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3. Logging of Service User Complaints

As part of our Terms of Reference, we undertook to review customer complaints to identify whether these provided any indications that Vecteo was failing to meet the contract's MSRs.

However, we found a number of issues in relation to reporting of complaints:

- A complete complaints log was not maintained by Vecteo before November 2021. Whilst there is a document entitled 'Complaints Log', we were informed by Vecteo that this had not been fully maintained until November 2021. On inspection, we noted that this document contained no complaints between 20 September and 22 November 2021, indicating this document was not maintained between these dates.
- It is not clear to all Service Users who they should complain to. Users have been encouraged to direct complaints to Vecteo. However, we understand that some complaints are directed to subcontractors, to the Council, or directly to drivers and Passenger Assistants. Vecteo's staff informed us that they have sought to obtain contact details for all Service Users, and to write to them to encourage them to communicate directly with Vecteo, as well as to train Passenger Assistants to share complaints centrally.

However, not all Service Users differentiate between the parties involved in service delivery, and have an expectation that their complaint will be handled regardless of which organisation they complain to. This is especially relevant given the Council's statutory responsibility for service delivery, and Vecteo's nature as part of the joint venture. The Council retains responsibility for oversight of Vecteo's work. It is therefore likely that some complaints may require a direct response by the Council, rather than by Vecteo.

- There has not been a framework in place for sharing of complaints between Vecteo and the Council. Vecteo staff informed us that they had attempted to hold a complaints log as a shared document, but that this had not been possible due to problems caused by the interaction between Vecteo's and the Council's firewalls.

Therefore, it is desirable that there should be a mechanism for Service User complaints arising to be shared between organisations, logged centrally and actioned regardless of which organisation receives the complaint. In particular this should include a frequency for information sharing and a defined format and process for information to be transferred. Vecteo's Logistics and Business Development Manager highlighted that no such mechanism was included within the service specification.

Effective response to complaints is important to identifying and addressing potential safeguarding issues, and ensuring a reasonable Service User experience. Monitoring the complaints process is also a key part of the Council's ability to effectively manage the contract with Vecteo, and gain an understanding of any issues.

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We therefore recommend that a new complaints protocol is agreed as part of the contract, which should ensure the following:

- Vecteo should maintain its complaints log on an ongoing basis and ensure that this log includes all complaints it receives. This log should be available to view by the Council, and should be shared at least on a monthly basis, and discussed as part of regular contract management meetings.
- Passenger Assistants should be trained on the complaints process, and made aware of the need to report complaints received to Vecteo's office staff to facilitate effective logging and response.
- Complaints received directly by subcontractors should be shared with Vecteo and logged.
- The Council should log any complaints it receives itself, and should share these with Vecteo as appropriate to be actioned. These complaints should be added to the central log maintained by Vecteo.
- An Escalation Protocol should be agreed for the contract which enables high risk complaints, or those that require engagement of multiple parties, to be shared immediately.

4. Experience of Service Users

Given the lack of recording of customer complaints, we used three sources to understand the experience of Service Users, to aid us in understanding whether Vecteo was meeting the contract's Minimum Service Requirements:

- The complaints that had been logged by Vecteo.
- A detailed document received from a group representing parents of Service Users.
- Verbal representations received during a meeting with this parents' group.

We noted the following overall points in relation to the experiences of the Service Users:

- **Safeguarding** – There was a significant safeguarding issue in September 2021 relating to a medical incident experienced by a child on board one of Vecteo's vehicles. There were also complaints regarding other potential safeguarding issues, where parents believed that Passenger Assistants did not have the training or expertise to meet children's medical needs. Whilst Vecteo and the Council both believe that safeguarding issues have significantly reduced since September, parents remain concerned that a safeguarding risk remains (See Finding 5 for a specific finding on safeguarding).
- **Risk Assessments** – Parents have an expectation that risk assessments should be in place for individual service users to ensure their transport needs are met. A significant theme of the feedback is that this is not the case, despite assurances given to parents by the Council and by Vecteo. We have considered this issue in greater detail. See Finding 6 for our specific finding on risk assessments.

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- **Consistency of Service** – Many of the complaints received earlier in the contract related to non-delivery of the Service, for example drivers not showing up, or unexpected changes to drivers and passenger assistants. We understand these issues were largely in September 2021 and have subsided as the contract has progressed, however, we could not formally verify this due to the incomplete logging of complaints. Our recommendations on complaint logging (Finding 3), and tracking of Minimum Service requirements (Finding 4) should support monitoring and improvement in this area.

Parents are also concerned that the level of provision has declined under the new contract. For example, some children are now transported on minibuses instead of individually, and the ratio of Passenger Assistants to service users has reduced in some cases. We note that Vecteo's provision of vehicles and Passenger Assistants appears to be in line with Council policy and compliant with the government's Home to School Travel and Transport Statutory Guidance for Local Authorities. However, service provision must also take account of individual service user need, which should be reflected in the risk assessment process (see Finding 6).

- **Communication** - Service Users noted that they felt that messaging from the Council and from Vecteo had not been consistent, and on occasion that they had received mixed messages from within the Council.

This was particularly apparent regarding risk assessments, where parents believed in October 2021 that individual risk assessments were being produced for every Service User, based on representations from both the Council and Vecteo. This was not the case at that time, and has undermined the confidence of parents.

It is also important for the Council and Vecteo to manage the expectations of parents through clear communication of what is achievable and feasible for individual children's service provision, based on the limitations faced by the Council for the provision of the service.

- Lack of communication is also apparent in relation to a specific issue with a canopy at a school which provides cover from the weather while dropping off children, and under which some of Vecteo's larger vehicles do not fit. Parents and headteachers value the canopy as a means of protecting vulnerable children from the elements. Vecteo initially explored raising the canopy or lowering the road beneath it, but this presented practical challenges and was prohibitively expensive. Moreover, the canopy is relatively small, and Vecteo believe that queueing behind the canopy may lead to excessive journey times. Per inquiry with various Council staff, Vecteo's Logistics and Business Development Manager stated that the issue would be solved through the use of smaller vehicles, and this was relayed to parents. However, Vecteo's Logistics and Business Development Manager denies saying this.

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No reference is made to the canopy in the service specification, and Vecteo's Logistics and Business Development Manager believes that Vecteo have done what they can to work alongside stakeholders to resolve this issue, for example by using 11 smaller vehicles at this school that fit under the canopy.

Our conversations around the canopy highlight the importance of goals being aligned between different stakeholders, and of effective joint working to address concerns as and when they arise. The canopy is an example of an area where different stakeholders appear to have different expectations and views. Effective dialogue between the various stakeholders can enhance understanding of issues and the value provided to service users.

To this end, we recommend that the Council and Vecteo jointly agree principles for communicating with parents to ensure that messaging is coordinated. Prior to sharing any major developments with parents, the Council and Vecteo should consult with one another to ensure the accuracy and relevance of communications. For example, the rollout of risk assessments should be agreed and coordinated between the Council and Vecteo, and this rollout should be communicated jointly based on an agreed approach.

5. Safeguarding

We are aware of a number of safeguarding concerns in relation to Service delivery, including one particular concern relating to a medical incident experienced by a child on board one of Vecteo's vehicles. This incident was escalated to the Local Authority Designated Officer (LADO).

The parents' group also expressed concerns surrounding possible safeguarding issues on board Vecteo's vehicles. Per inquiry with Vecteo staff, other incidents have arisen and been discussed with the LADO but none of these have risen to the level to be formally escalated according to the Council's protocol.

Vecteo further informed us that the level of safeguarding incidents has reduced, particularly since additional training has been given to Passenger Assistants.

However, the parents' group remains concerned and believes that possible safeguarding issues remain.

Moreover, there is no log of potential safeguarding incidents, which would enable tracking of these to ascertain risks and identify key themes to prevent future incidents. We are also not aware of a clear definition of safeguarding and other incidents to ensure that incidents are appropriately categorised.

We recommend that a log of incidents is introduced, to be held jointly by Vecteo and the Council and discussed regularly through the contract management process. Incidents should be categorised within this log according to established definitions, with example categories including safeguarding issues, user experience and timeliness of vehicles. This log should be updated based on feedback from drivers and Passenger Assistants, Service User complaints, and any incidents reported through other forums, such as the Council's meeting with the parents' group.

Creating and following suitable risk assessments (see Finding 6), and the provision of appropriate training to drivers and Passenger Assistants (see Finding 1) are also necessary in order to mitigate the risk of future safeguarding issues occurring.

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Moreover, we are aware of a particular contractual issue relating to the administration of Buccal Midazolam by Vecteo's staff. Buccal Midazolam is an epilepsy medication, and the Service Agreement provides for Buccal Midazolam to be issued by Passenger Assistants. This is per clause 7.2.1 of the Service agreement which states that 'Where the PA is accompanying an epileptic service user it is expected that the PA will be trained in being able to administer Buccal Midazolam.

However, Vecteo is not currently prepared to administer this medication without detailed guidance on a per child basis, particularly given the risk of administering medication where dosages vary for individual children. Vecteo also believes that the introduction of Buccal Midazolam on SEND home to school transport needs to be written into policy before procedures can be drafted.

Vecteo's Logistics and Business Development Manager has noted that qualified Paramedics do not administer Buccal Midazolam as they have no idea how many doses / when last doses of Buccal have been administered and any additional doses given could have serious consequences. The Council has expressed understanding for Vecteo's position but is also concerned that Service Users may require medication rapidly in case of a fit, and procedures need to be in place for this scenario.

The Council is yet to take a formal position on how best to proceed in relation to Buccal Midazolam. We recommend that a formal decision be made regarding an overall approach to Buccal Midazolam, taking into account best practice at other organisations. This should consider how best to meet the medical needs of Service Users, given the need to provide treatment in a short timeframe, and the experience and training of the Passenger Assistants. This issue and any other similar contractual disagreements be tracked as part of the contract monitoring process (see Finding 9 below).

6. Risk Assessments

As part of delivering the home-to-school service, it is expected that risk assessments would be in place that ensure service provision reflects the specific medical need of Service Users.

Per the Service Agreement, Vecteo is responsible for conducting risk assessments. However, the body of the contract refers to 'risk assessments relating to identified hazards relating to the roads and environment served', rather than to medical risk. There is also an Appendix to the Service Agreement which briefly includes 'risk assessments for passengers / children protection and adult safeguarding' under Vecteo's responsibilities.

The contract is therefore unclear on the scope and nature of risk assessments to be conducted. Vecteo's Logistics and Business Development Manager stated his team would be willing to conduct risk assessments but referred to 'confusion regarding risk assessments, who is responsible for doing them and when they are carried out.' In practice, the Council's Contract Management Team has conducted risk assessments on a per route basis, and shared these with Vecteo. These risk assessments include specific risks identified associated with individual children on that route, and additional control measures identified to mitigate these risks. However, as at December 2021, these risk assessments had not been shared with parents by Vecteo.

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The parents group has the expectation that risk assessments should be carried out individually for every child. It is our understanding that the Council informed parents this would be the case, having been told by Vecteo's former contract manager that he was producing risk assessments. This has created an expectation among the parents.

In the opinion of Internal Audit, risk assessments are an important part of the home-to-school transportation process, as they ensure that Service User needs are met and mitigate safeguarding and other risks. To facilitate this, risk assessments should consider the medical need of each Service User, as well as the risk of harm to Service Users, Vecteo and subcontractor staff in cases where children have complex behavioural and medical needs. These risk assessments should therefore be produced by individuals with significant knowledge of children's wellbeing, and an understanding of how these needs can be reflected in transport arrangements. The Council should reflect on whether these skills are present in either the Contract Management Team, or Vecteo, and whether any additional training is required to support staff in the completion of these.

Other risks, such as vehicle failure, should also be included in risk assessment documents.

The Council's contract management staff informed us that in some other Councils, risk assessments are produced by Children's Services as part of the onboarding process for new Service Users. However, this currently does not take place at Southend, and the onboarding process is subject to strict time limits which are not in place elsewhere. It is therefore possible that the Council could reflect more widely on its approach to risk assessments.

We recommend that going forwards individual Service User risk assessments should be produced as part of the onboarding process by a Service within the Council that has sufficient specific knowledge of the children's medical conditions to identify their transport needs. This may necessitate increased turnaround times for the onboarding process.

These risk assessments should be provided to Vecteo, which should be responsible for implementing the mitigations identified in the risk assessments, ensuring that the needs of individual children are reflected in the design of routes, and in the allocation of drivers and Passenger Assistants. An appropriate protocol should be in place whereby Vecteo can discuss any concerns relating to the risk assessments, for example practical challenges or high financial costs in their implementation, or where additional risks are identified in the course of service delivery.

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7. Internal Council Governance

Through the course of the audit, we noted a number of issues in relation to the Council's internal governance arrangement in relation to Vecteo. We reported in detail on this matter in our previous report under **Governance and team structure** and expand briefly on this matter here.

- Prior to Vecteo going live with the home-to-school Service in September 2021, the Council had not performed monitoring of Vecteo to assess its readiness to perform the service. Whilst initial work in this regard is likely to have taken place as part of the procurement process, we would have expected the Council to maintain dialogue with Vecteo and assess its readiness to perform the service. This would have included contingency planning in case issues were foreseen, including the ability to maintain additional oversight or to delay go live if deemed necessary to address risk.
- The Council is both a customer of Vecteo, and a shareholder of Vecteo. These two roles require different approaches, as a shareholder is concerned with protecting the value of an *investment*, whereas a customer is concerned with ensuring the *contract* delivers its goals. These roles should therefore be split, with a forum for them to interact and work jointly in relation to strategic decisions. However, we have not evidenced that these roles are clearly defined and understood within the Council, particularly at the senior level. Whilst there is a defined Contract Management Team, this team reports to the same directors that are responsible for managing the Council's relationship with Vecteo as a shareholder.

We recommended in our previous report that *the contract management team should focus its activities on managing the relationship with the Joint Venture Company, scrutinising its performance, and ensuring it delivers the services to the committed standard*. To support this, we further recommend that the Council identify separate directors who are responsible for managing the separate contractual and shareholder relationships with Vecteo. The contract management team should report to the director responsible for the contractual relationship, and the shareholder relationship should be managed by different individuals. These individuals should meet regularly in a strategic forum.

- When entering into the contract with Vecteo, the Council did not have a defined exit strategy in place. This is particularly important for Joint Ventures as the Council is relying on them to fulfil its statutory duties, but does not have full control of their activities, and often cannot terminate contracts without incurring significant financial loss. We recommended in our previous report that this be addressed through production of a Business Continuity Plan for Vecteo, which identified exit options in case this were required. However, ideally this would be in place before entering into the contract and we have identified this as a key lesson to be learnt for any future similar relationships.

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8. Ongoing Relationship between the Council and Vecteo

In order to achieve ongoing improvement in Vecteo's performance and reporting to the Council, it will be necessary to establish an ongoing dialogue between the two parties. For a contract of this size, we would expect regular contract management meetings, which would discuss day-to-day issues and monitor performance. Separate strategic meetings with senior stakeholders enable the discussion of governance level issues, and overall strategic approach to service delivery.

We noted in our previous report that this goal was being met through monthly Operational Management Group Meetings and quarterly Strategic Partner Board meetings.

However, we note that several Operational Management Group meetings have been cancelled since September 2021, inhibiting effective communication between the Council and Vecteo as well as effective contract management.

We would further anticipate open informal lines of communication to be in place between the two parties, enabling cooperation on key issues. Whilst both the Council and Vecteo have experienced challenges in relation to the contract, these challenges can only be resolved through effective communication as the parties seek to achieve common goals. We note that communication between the two parties has sometimes been strained, and believe the parties would benefit from greater readiness to engage in phone and email communication on an ongoing basis.

However, where major issues arise, they need to be formally escalated according to a defined protocol. This protocol should capture which individuals need to be made aware of issues arising, the nature of communication in these cases, and what information needs to be contained in these communications. This enables immediate shared knowledge of key issues, and better facilitates cooperation between the two parties to resolve these issues.

We therefore recommend that:

- Operational Management Group meetings should take place on at least a monthly basis, and possibly more regularly while there are significant issues with the contract. Any meetings that cannot be held should be postponed rather than cancelled, and should be rescheduled within the same month.
- The Council and Vecteo should agree informal lines of communication and should work together to ensure that the Contract Management Team and Vecteo's Management Team feel comfortable communicating by phone or email as required.
- A formal Escalation Protocol should be agreed between the Council and Vecteo for key issues arising. This should enable immediate communication of issues between the two parties. This protocol should capture which individuals need to be made aware of issues arising, the nature of communication in these cases, and what information needs to be contained in these communications.

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9. Ongoing monitoring and tracking by the Council

For a large contract such as this, we would generally expect robust contract management arrangements to be in place. This would include regular reporting of Management Information by Vecteo to the Council, an internal assessment by the Council of this Management Information to assess Vecteo's performance, and spot checks on this information to verify its accuracy.

However, the Contract Management Team has noted that normal contract management has been extremely challenging due to the lack of data in place and available from Vecteo, and the consequent inability to assess any meaningful Management Information.

We understand this challenge but note that it creates a risk as it is impossible to reliably assess and form an ongoing view of Vecteo's performance. We recognise that traditional contract monitoring may not be immediately possible but emphasise that this creates a significant risk, as the Council may not be aware of issues in Vecteo's performance. It is therefore crucial that the Council work alongside Vecteo to facilitate normal monitoring as soon as possible.

We therefore recommend the following:

- In line with Finding 2 above, the Council and Vecteo should agree Management Information metrics that will be reported from Vecteo to the Council, and that give a better overview of Vecteo's contractual performance.
- The Council and Vecteo should identify the steps Vecteo needs to take in order to actively produce this data. These steps should be captured in a log (as per Finding 10 below) and tracked by Operational Management group until Vecteo has sufficient procedures in place to produce Management Information. Many of the steps required are likely to be in line with Finding 1 above (see also Appendix B).
- When Vecteo has sufficient data available, these metrics should be reported regularly (in line with agreed timescales) by Vecteo to the Council. Concerns should be discussed through Operational Management group, and escalated internally within the Council.
- As and when Vecteo is able to collate relevant data available to demonstrate its compliance with the contract, the Council should perform spot checks on this data to verify its accuracy (see Appendix B for details of the type of spot checks we believe should be performed).
- Operational Management Group should continue to discuss specific issues as they arise on an ongoing basis. These issues should be tracked in an issues log, held jointly between the Council and Vecteo. Issues may include incidents on routes, Service User complaints, or contractual points of contention such as the administration of Buccal Midazolam (see also Finding 5 above).
- The Council should take a formal position on the administration of Buccal Midazolam, to be ratified at the director level. This position should be reflected in formal policies and procedures, implemented by Council staff and Vecteo as appropriate, and its implementation tracked through the Operational Management Group.

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10. Prioritisation and Tracking of issues

In this report, together with our previous report, we have identified a large number of issues to be rectified. Some of these relate to the Council's internal governance procedures, and others to Vecteo's performance under the contract. We understand that there are further issues in relation to the contract which the Council is aware of. In order to address these issues effectively, the Council should take a systematic approach.

The Council should identify a director with overall responsibility for remediation of these issues, and this director should oversee the production of a log where all issues are listed and progress in addressing them tracked. Stakeholders within the Council (representing the Council both as a customer and a shareholder) should meet formally to ensure that all issues are captured, and to prioritise and categorise these issues.

Issues are likely to fall into three categories: contract management; the Council's governance procedures as a shareholder; and the Council's governance procedure as a customer. Issues can be prioritised based on the level of risk to the Council. Immediate remediation is paramount for those issues which carry safeguarding risk to the Council, and the Council should also assign high priority to any issues that carry significant financial or reputational risk. Issues relating to general service improvement, but where risk is more limited, may be assigned a lower priority.

Each issue should have an individual owner within the Council who is responsible for implementation. In relation to contract management issues, these may be remediated by Vecteo but they should be tracked jointly by Vecteo and the Council in a shared document through ongoing contract management.

11. Data Handling

As part of the contract process, large amounts of personal data are handled, including in relation to Service Users, and to employees of Vecteo and its contractors.

As this was not part of our Terms of Reference, we did not specifically test processes for handling and storing this data. However, we noted that the contract carries an inherent risk in relation to data handling, and to compliance with the General Data Protection Regulation (GDPR). Non-compliance can carry significant financial penalties and reputational risk. We have not identified instances of non-compliance but this is particularly relevant in relation to the following:

- Vecteo and its subcontractors store staff DBS information on file. We understand that Vecteo does not retain the certificates themselves, and only retains limited data fields in this regard. However, there are detailed rules on what DBS information can be retained by employers, and how this information should be stored. The Council, Vecteo and subcontractors should ensure that they comply with these rules at all times.
- Service user data, including medical information, is regularly transferred between the Council, Vecteo and its subcontractors. The transfer of this data is likely to be legitimate, as it is required to meet service user need. However, we would expect robust procedures to be in place to ensure this data is stored and transferred securely, and is disposed of when no longer needed.

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We do not make a specific recommendation in relation to data handling given that we have not performed detailed work in this area, and to do so we would need further understanding of the controls in place to mitigate the inherent risk. However, we would like to highlight this area as one that the Council should retain awareness of.

Reporting

The report has been:

- discussed and agreed to be factually accurate with the Service Manager, Integrated Transport & Fleet Solutions
- discussed and agreed to be factually accurate with the Board of Vecteo
- discussed and agreed with the Interim Executive Director of Neighbourhood and Environment.

The results of this audit work have been reported to the Vecteo Board and Council's Corporate Management Team, with a summary to the Audit Committee in March 2022, and then in full to the Audit Committee in July 2022.

Revisiting this report

Senior management will monitor and sign off this action plan as part of the Department's performance management process. Internal Audit will revisit this report to check that the actions agreed have been implemented properly.

Corporate Links

Theme	Safe & Well	Outcome	By 2050 people in Southend-on-Sea feel safe in all aspects of their lives and are well enough to live fulfilling lives.
	Connected & Smart		By 2050 people can easily get in, out and around our borough and we have a world class digital infrastructure

This report can be provided in alternative formats such as Braille, audiotape or in large print.

Translations of this document in alternative languages are also available.

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	Agreed Management Action	Benefit	Lead Officer	When by
R1	<p>Minimum Service Requirements</p> <p><i>Issues in relation to Vecteo’s compliance with the Minimum Service Requirements will be collated and captured in a log, to be held jointly by Vecteo and the Council. The issues in this log will be assigned priorities according to risk. The Contract Management Team will focus its attention on resolving these issues, and the log will be discussed regularly, and tracked in regular contract management meetings between the Council and Vecteo. Progress against these issues will be reported to directors within the Council as appropriate.</i></p> <p><i>See Appendix B for a detailed listing of these issues and our recommendations broken down for each Minimum Service Requirement.</i></p>	<p>Compliance with the contract’s Minimum Service Requirements by Vecteo is necessary to ensure the Council meets its statutory requirements, whilst minimising safeguarding risk and maximising quality of service delivery. Implementation of this action will enable the Council to obtain regular assurance over whether the Minimum Service requirements are being met.</p>	<p>Anne Warburton (Service Manager, Integrated Transport & Fleet Solutions) and</p> <p>Chris Beckwith (Interim Vecteo Operations Manager)</p>	<p>31 August 2022</p>
R2	<p>Management Information Reporting</p> <ul style="list-style-type: none"> <i>The Council’s Contract Management Team will determine which metrics would best inform contractual performance. This exercise will consider the MSRs, and be carried out in conjunction with stakeholders across the Council.</i> <i>The Council will agree a set of metrics to be reported by Vecteo, understanding that Vecteo may not yet have data relating to all of these metrics. This will be formally agreed with Vecteo and be based on those metrics which are feasible to produce in the long run, and which</i> 	<p>High quality management information reporting is necessary to enable the Council to effectively assess Vecteo’s performance, identify issues, and to work alongside Vecteo to remediate these issues. By ensuring that Management Information Reporting is accurate, and based on a set of metrics that reliably inform contractual performance, the Council will be able to effectively perform its contract management function.</p>	<p>Anne Warburton (Service Manager, Integrated Transport & Fleet Solutions) and</p> <p>Chris Beckwith (Interim Vecteo Operations Manager)</p>	<p>1 June 2022</p>

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	Agreed Management Action	Benefit	Lead Officer	When by
	<p><i>indicate the overall quality of service provision.</i></p> <ul style="list-style-type: none"> <i>The Council and Vecteo will track Vecteo's ability to report against the agreed metrics on an ongoing basis through regular contract management meetings. These metrics will be included in performance reports as and when they become available.</i> 			
R3	<p>Logging of Service User Complaints</p> <p><i>A new complaints protocol will be agreed as part of the contract, which aims to ensure the following:</i></p> <ul style="list-style-type: none"> <i>Vecteo will maintain its complaints log on an ongoing basis and ensure that this log includes all complaints it receives. This log will be available to view by the Council, and will be shared at least on a monthly basis, and discussed as part of regular contract management meetings.</i> <i>Passenger Assistants will be trained on the complaints process, and made aware of the need to report complaints received to Vecteo's office staff to facilitate effective logging and response.</i> <i>Complaints received directly by subcontractors will be shared with Vecteo and logged.</i> <i>The Council will log any complaints it receives itself, and share these with Vecteo as appropriate to be actioned.</i> 	<p>Effective response to complaints is important to addressing potential safeguarding issues and ensuring a reasonable Service User experience. Monitoring the complaints process is also a key part of the Council's continuing ability to effectively manage the contract with Vecteo, and gain an understanding of any issues.</p>	<p>Anne Warburton (Service Manager, Integrated Transport & Fleet Solutions) and</p> <p>Chris Beckwith (Interim Vecteo Operations Manager)</p>	1 July 2022

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	Agreed Management Action	Benefit	Lead Officer	When by
	<p><i>These complaints will be added to the central log maintained by Vecteo.</i></p> <ul style="list-style-type: none"> <i>An Escalation Protocol will be agreed for the contract which enables high risk complaints, or those that require engagement of multiple parties, to be shared immediately.</i> 			
R4	<p>Communication with Service Users</p> <p><i>The Council and Vecteo will jointly agree principles for communicating with parents to ensure that messaging is coordinated. Prior to sharing any major developments with parents, the Council and Vecteo will consult with one another to ensure the accuracy and relevance of communications. For example, the rollout of risk assessments will be agreed and coordinated between the Council and Vecteo, and this rollout will be communicated jointly based on an agreed approach.</i></p>	<p>By ensuring that messaging is coordinated with Vecteo, the Council can better manage the expectations of parents of service users as stakeholders. Where parents feel they receive contradictory or false messages from either party, this reflects badly in their view of both the Council and Vecteo. Therefore, implementation of this action can enable the Council to avoid reputational damage.</p>	<p>John Burr, (Interim Executive Director of Neighbourhoods and Environment) and Chris Beckwith (Interim Vecteo Operations Manager)</p>	31 July 2022
R5	<p>Safeguarding</p> <p><i>A log of potential incidents will be introduced, to be held jointly by Vecteo and the Council and discussed regularly through the contract management process. Incidents will be categorised within this log according to established definitions, with example categories including safeguarding issues, user experience and timeliness of vehicles. This log will be updated based on feedback from drivers and passenger assistants, Service User complaints, and any incidents reported through other forums,</i></p>	<p>Safeguarding issues present a significant risk to the Council and, if any such issues arise, there could be injury or loss of life to Service Users. This may also result in significant reputational damage to the Council.</p> <p>By effectively monitoring potential issues, the Council can identify themes in the issues arising, and work to prevent their recurrence. Knowledge of such issues can also provide a valuable tool in understanding Vecteo's contractual performance.</p>	<p>Anne Warburton (Service Manager, Integrated Transport & Fleet Solutions) and Chris Beckwith (Interim Vecteo Operations Manager)</p>	15 July 2022

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	Agreed Management Action	Benefit	Lead Officer	When by
	<p><i>such as the Council's meetings with the parents' group.</i></p> <p><i>Safeguarding will be a standing item on the agenda for contract management meetings and Strategic Partnership Board meetings.</i></p>			
R6	<p>Risk Assessments</p> <p><i>Going forwards, individual Service User risk assessments will be produced as part of the onboarding process by a Service within the Council that has sufficient specific knowledge of the children's medical conditions to identify their transport needs. This may necessitate increased turnaround times for the onboarding process.</i></p> <p><i>These risk assessments will be provided to Vecteo, which will retain responsibility for implementation of agreed mitigation to the risk assessments through its design of routes, and its allocation of drivers and Passenger Assistants. An appropriate protocol should be in place whereby Vecteo can discuss any concerns relating to the risk assessments, for example practical challenges or high financial costs in their implementation, or where additional risks are identified in the course of service delivery.</i></p> <p><i>Risk Assessments relating to their own children will be provided to the parents of Service Users.</i></p> <p><i>Knowledge of how children's medical need can be addressed while being transported is required to produce risk assessments. The Council will reflect on whether these skills are present in either the Contract Management Team, or Vecteo, and</i></p>	<p>Risk assessments are an important part of the home-to-school transportation process, as they ensure that service user needs are met and mitigate safeguarding risk. By implementing this action, the Council can ensure that:</p> <ul style="list-style-type: none"> • Risk assessments are produced. • The assessments in place reflect the medical and other needs of Service Users, and other relevant risks in the transport of vulnerable children. • The risk assessments are implemented. 	<p>Anne Warburton (Service Manager, Integrated Transport & Fleet Solutions) and</p> <p>Chris Beckwith (Interim Vecteo Operations Manager)</p> <p>(to obtain input from Michael Marks (Executive Director – Children and Public Health) and Brin Martin (Director of Education and Early Years))</p>	1 August 2022

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	Agreed Management Action	Benefit	Lead Officer	When by
	<p><i>whether any additional training is required to support staff in the completion of these.</i></p> <p><i>Other risks, such as vehicle failure, and risk of physical harm to Vecteo’s staff by Service Users, will also be included in risk assessment documents.</i></p>			
R7	<p>Internal Council Governance</p> <p><i>The Council will identify separate directors who are responsible for managing the separate contractual and shareholder relationships with Vecteo. The contract management team will report to the director responsible for the contractual relationship and the shareholder relationship will be managed by different individuals. These individuals will meet regularly in a strategic forum.</i></p>	<p>The Council is both a customer of Vecteo, and a shareholder of Vecteo. These two roles require different approaches to governance and management, as a shareholder is concerned with protecting the value of an investment, whereas a customer is concerned with ensuring the contract delivers its goals. It is therefore good practice to split these roles, which allows for an appropriate split of roles and responsibilities to ensure goals are appropriately aligned within the Council.</p>	<p>John Burr, (Interim Executive Director of Neighbourhoods and Environment)</p>	<p>30 June 2022</p>
R8	<p>Ongoing Relationship between the Council and Vecteo</p> <ul style="list-style-type: none"> <i>Going forwards, Operational Management Group meetings will take place on at least a monthly basis, and possibly more regularly while there are significant issues with the contract. Any postponed meetings will be rescheduled within the same month.</i> <i>The Council and Vecteo will agree informal lines of communication and will work together to ensure that the Contract Management Team and Vecteo’s Management Team feel comfortable communicating by phone or email as required.</i> 	<p>In order to achieve ongoing improvement in Vecteo’s performance and reporting to the Council, it will be necessary to establish an ongoing dialogue between the two parties. This should include both formal and informal communication channels that enable the two parties to cooperate on issues and challenges as they arise, whilst holding one another to account for contractual commitments.</p> <p>This action is designed to facilitate such communication channels.</p>	<p>Anne Warburton (Service Manager, Integrated Transport & Fleet Solutions) and</p> <p>John Burr, (Interim Executive Director of Neighbourhoods and Environment)</p>	<p>31 July 2022</p>

Appendix A: Transport Joint Venture – Contract Management of Core Services

	Agreed Management Action	Benefit	Lead Officer	When by
	<ul style="list-style-type: none"> A formal Escalation Protocol will be agreed between the Council and Vecteo for key issues arising, aiming to enable immediate communication of issues between the two parties. This protocol will capture which individuals need to be made aware in case of issues arising, the nature of communication in these cases, and what information needs to be contained in these communications. 			
R9	<p>Ongoing monitoring and tracking by the Council</p> <ul style="list-style-type: none"> In line with Finding 2 above, the Council and Vecteo will agree Management Information metrics that will be reported from Vecteo to the Council, and that give a reasonable picture of Vecteo's contractual performance. The Council and Vecteo will identify the steps Vecteo needs to take in order to actively produce this data. These steps will be captured in a log and tracked by Operational Management group until Vecteo has sufficient procedures in place to produce Management Information. Many of the steps required are likely to be in line with Finding 1 above (see also Appendix B). When Vecteo has sufficient data available, these metrics will be reported regularly (in line with agreed timescales) by Vecteo to the Council. Concerns should be discussed through Operational Management group, and escalated internally within the Council. 	<p>Effective contract management is key to understanding the performance of a supplier, identifying any weaknesses, and taking action to facilitate continuous improvement. However, this type of contract management has been particularly challenging in relation to Vecteo, given the lack of effective Management Information available.</p> <p>This action is designed to enable traditional contract management to resume as soon as possible, whilst recognising this is not likely to be immediate given the challenges in developing an effective Management Information reporting framework.</p>	<p>Anne Warburton (Service Manager, Integrated Transport & Fleet Solutions) and</p> <p>Chris Beckwith (Interim Vecteo Operations Manager)</p>	1 June 2022

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	Agreed Management Action	Benefit	Lead Officer	When by
	<ul style="list-style-type: none"> <li data-bbox="226 256 860 759">• <i>As and when Vecteo is able to collate relevant data available to demonstrate its compliance with the contract, the Council will perform spot checks on this data to verify its accuracy (see Appendix B for details of the type of spot checks we believe should be performed). Operational Management Group will continue to discuss specific issues as they arise on an ongoing basis. These issues should be tracked in an issues log, held jointly between the Council and Vecteo. Issues may include incidents on routes, Service User complaints, or contractual points of contention such as the administration of Buccal Midazolam.</i> <li data-bbox="226 783 860 1056">• <i>The Council should take a formal position on the administration of Buccal Midazolam, to be ratified at the director level. This position should be reflected in formal policies and procedures, implemented by Council staff and Vecteo as appropriate, and its implementation tracked through the Operational Management Group.</i> 			

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R10	<p><i>Prioritisation of Issues</i></p> <p><i>The Council will collate issues relating to the Vecteo contract, identified through this and other reports. To do this, the Council will identify a director with overall responsibility for the process, who will oversee the production of a log where all issues are recorded.</i></p> <p><i>Stakeholders within the Council (representing the Council both as a customer and a shareholder) will meet formally to ensure that all issues are captured, and to prioritise and categorise these issues.</i></p> <p><i>Each issue will be assigned an individual owner within the Council who is responsible for implementation. In relation to contract management issues, these may be remediated by Vecteo but they should be tracked jointly by Vecteo and the Council in a shared document through ongoing contract management.</i></p>	<p>A formal process for identifying contract issues will enable the Council to ensure that all issues are captured, and that progress against these issues is tracked. Given the large number of issues identified, such a systematic approach is needed in order to ensure that all issues are included.</p> <p>By assigning priorities to these issues, the Council can focus its attention on those issues that carry the maximum risk, either to safeguarding, finance, or the Council's reputation. This can ensure that high priority issues are resolved in a timely fashion.</p>	<p>John Burr, (Interim Executive Director of Neighbourhoods and Environment) and Anne Warburton (Service Manager, Integrated Transport & Fleet Solutions)</p>	<p>31 July 2022</p>
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Appendix B: Transport Joint Venture – Contract Management of Core Services - Minimum Service Requirements

No.	Minimum Service Requirement (extract from contract)	Vecteo Process	Internal Audit Work Performed	Findings and Recommendations
1	<p>To deliver the home to school service during the schools' academic year (although on occasions transport may be required during the school holidays for clubs). This service includes the requirement of wheelchair accessible minibuses that operate with pick-ups and drop offs either at a bus stop or a door to door service. Epileptic and diabetic trained Passenger Assistants are also to be provided (where required).</p>	<p>Vecteo maintains a spreadsheet listing all routes for the home to school service, and which passengers are allocated to which route (the route list).</p> <p>If there are variations to normal travel arrangements (for example due to children being unwell), these are communicated to Vecteo through reporting by Passenger Assistants, and captured in the daily loading lists.</p> <p>Going forwards, this information will be captured in the new Cordic system, which will enable the Management information to be in place on a live basis.</p> <p>Some routes are run by subcontractors rather than directly by Vecteo. Equivalent reporting is not in place for subcontractors but Vecteo intends to introduce daily reporting of loading lists by subcontractors.</p> <p>All Passenger Assistants are provided with epileptic and diabetic training.</p>	<p>We initially requested to inspect the route list for 20 October but were informed that route listings had not been retained by Vecteo prior to November.</p> <p>We therefore inspected the route lists for 1 and 8 November and confirmed that all routes were listed with children clearly allocated by route.</p> <p>It was not possible to fully verify the completeness of the route lists, given that these lists apply only to direct delivery. However, the number of children listed (247) is in line with Vecteo's reporting to the Council and the Council's understanding. Therefore, we believe this listing is likely to be complete.</p> <p>See MSR 12 for details of testing around training.</p>	<p><i>As of November 2021 Vecteo was largely able to demonstrate compliance with this MSR for in-house delivery (but not for subcontractors). However, Vecteo was not able to evidence compliance with this MSR prior to November 2021.</i></p> <p>Prior to November, Vecteo did not have data to evidence delivery of the home-to-school service. However, based on our inspection of the route lists, Vecteo was able to evidence delivery of the home-to-school service (for direct delivery).</p> <p>We are unable to provide assurance in relation to routes run by subcontractors. Although we believe the service is being run, we were unable to inspect subcontractor loading lists or similar.</p> <p>We recommend the following:</p> <ul style="list-style-type: none"> Route lists should be sent from Vecteo to the Council on a weekly basis (to include both

Appendix B: Transport Joint Venture – Contract Management of Core Services - Minimum Service Requirements

No.	Minimum Service Requirement (extract from contract)	Vecteo Process	Internal Audit Work Performed	Findings and Recommendations
				<p>direct delivery and subcontractors).</p> <ul style="list-style-type: none"> The Council should perform monthly inspections of the route lists and confirm for a sample of Service Users that they are included on the route lists as appropriate. It may be appropriate to modify this procedure following the introduction of Cordic, which may allow tracking of route information on a live basis.
2	<p>To provide one Passenger Assistant (PA) per eight seater mini-bus and two PAs for 16 seater minibuses or larger vehicles as a standard requirement for the home to school transport service. However, vehicles of less than eight seats used for home to school, supervised contact and children’s respite care may also require a PA where this is required. Where the PA is accompanying an epileptic Service User it is expected that the PA will be</p>	<p>Route lists, as well as the daily loading lists, include driver and PA details for all routes.</p> <p>This information will also be included in any reporting by subcontractors going forwards.</p> <p>Vecteo is not currently prepared to administer Buccal Midazolam, due to the high risk involved, detailed medical guidance, and bespoke needs of individual children (such as different dosages). Vecteo staff informed us that they would expect</p>	<p>Our inspection of the route listing per Finding 1 above, noted that drivers and passenger assistants had been allocated to routes in accordance with the contract terms. All routes with at least 8 children included a PA, and all routes with at least 16 children had two PAs. Some smaller routes were also allocated PAs.</p> <p>There was no data available and therefore we were unable to verify</p>	<p><i>As of November 2021 Vecteo was largely able to demonstrate compliance with this MSR for in-house delivery (but not for subcontractors). However, Vecteo was not able to evidence compliance with this MSR prior to November 2021.</i></p> <p>We recommend the following:</p> <ul style="list-style-type: none"> The Council should confirm the allocation of PAs on a sample basis as part of its

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No.	Minimum Service Requirement (extract from contract)	Vecteo Process	Internal Audit Work Performed	Findings and Recommendations
	<p>trained in being able to administer Buccal Midazolam and other requirements as set out in 7.2 below.</p>	<p>the Council to provide procedures around handover of medication before they are prepared to administer Buccal Midazolam.</p> <p>Vecteo’s understanding, based on conversations with Passenger Assistants, is that Passenger Assistants also did not administer Buccal Midazolam when the home-to-school service was delivered in house. Vecteo also believes that the introduction of Buccal Midazolam on SEND home to school transport needs to be written into policy before procedures can be drafted.</p> <p>The Council understands Vecteo’s position but further notes that the rapid administration of Buccal Midazolam is sometimes medically necessary, and there is a risk to epileptic children if this does not take place. The Council has not formally determined its response on this matter.</p>	<p>this MSR in relation to subcontractors.</p>	<p>routine inspections of route lists (see MSR 1 above).</p> <ul style="list-style-type: none"> The Council should formally agree an overall approval to Buccal Midazolam, taking into account best practice at other organisations. This should consider how best to meet the medical needs of Service Users, given the need to provide treatment in a short timeframe, and the experience and training of the Passenger Assistants. This approach should be reflected in new or updated policy and procedure documents. If the Council determines that Passenger Assistants are required to administer Buccal Midazolam, procedures around administration should be incorporated into risk assessments.

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3	<p>To provide a meet and greet introduction with Service Users for the home to school provision during the school summer holidays to allow Service Users and parents/carers familiarisation with the PA/driver and transport.</p>	<p>Vecteo did not complete meet and greets for all students prior to the commencement of school term in September. Vecteo reported that this was a challenge as the TUPE transfer of PAs and drivers to Vecteo was only finalised on 1 September 2021, which prevented Vecteo from organising meet and greets prior to this date. The Council noted that the contract commenced on 1 March 2020.</p> <p>Per our inquiries, Vecteo does now complete meet and greets for new Service Users, and as part of this process sends an introductory letter to Service Users. However central documentation of these letters has not been retained. Vecteo noted that the reference to 'school summer holidays' within the MSR was not in line with expected practice, which is for meet-and-greets whenever new service users are onboarded, or in case of major changes to routes.</p> <p>Vecteo also does not retain evidence of the performance of</p>	<p>We were unable to conduct testing in relation to this MSR because there is not appropriate documentation in place.</p>	<p><i>Vecteo does not have appropriate data in place to demonstrate compliance with this MSR, either for direct delivery or by subcontractors.</i></p> <p>We recommend that:</p> <ul style="list-style-type: none"> • The wording of this MSR should be changed to remove reference to 'school summer holidays' and instead state that meet and greets should be performed for new service users and in the case of major changes to routes. • Meet and greets should be held by Vecteo in line with the contract, for children who are new to the service or in case of major changes (such as new drivers or PAs taking over a route). • Vecteo should retain a record of these meet and greets, for example through a spreadsheet. Evidence of the meet and greets (such as a copy of the letters shared with parents)

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		meet and greets by its subcontractors.		<p>should be attached to the spreadsheet).</p> <ul style="list-style-type: none"> • Vecteo’s record of the meet and greets should be shared with the Council and inspected on a monthly basis. • Meet and greets performed by subcontractors should be recorded similarly and shared with Vecteo. These records should be included in the Council’s inspections.
4	To ensure the maximum “end to end journey” time for a Service User does not exceed 1 hour for primary school pupils and 1 hour and 15 minutes for secondary school age pupils and adults (which includes walking time to pick-up and drop-off points) where travelling is within the Borough of Southend-on-Sea. The stated times must also take into account the loading and unloading of Service Users with wheelchairs/mobility scooters.	<p>Journey times are not currently tracked by Vecteo, and no data on journey times is obtained from subcontractors. Vecteo calculated expected journey times when they initially designed the routes but evidence of this was not retained.</p> <p>Per inquiry with Vecteo’s Logistics and Business Development Manager, tracking of journey times will be possible when the Cordic system is introduced, as the system automatically performs this function following vehicle GPS data. It is possible that Passenger</p>	We were unable to conduct testing in relation to this MSR because there is not appropriate documentation in place.	<p><i>Vecteo does not have appropriate data in place to demonstrate compliance with this MSR, either for direct delivery or by subcontractors.</i></p> <p>We recommend the following:</p> <ul style="list-style-type: none"> • When the Cordic system is implemented, Vecteo should regularly report journey time information to the Council, including the proportion of late journeys. • The Council should perform spot checks on this information,

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		<p>Assistants could report pick up and drop off times to Vecteo in the interim to facilitate journey time tracking in accordance with this MSR.</p> <p>Vecteo's Logistics and Business Development Manager also noted that use of the canopy at Kingsdown School could have an adverse impact on journey times because of the need for vehicles to queue to await use of the canopy.</p>		<p>either through access to the Cordic system for Council staff, or through inspecting screenshots from the system to verify journey times for specific journeys.</p> <ul style="list-style-type: none"> • As part of the contract management process, the Council and Vecteo should determine whether reporting of journey times is a priority that needs to be implemented prior to the introduction of Cordic. If this is the case, Vecteo should implement reporting of journey times by its PAs, and this should be monitored by the Council. • The Council should establish whether the Cordic system will apply to vehicles owned by Vecteo's subcontractors. If this is not the case, subcontractors should report journey times regularly to Vecteo and this data should be reported to the Council as part of the

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No.	Minimum Service Requirement (extract from contract)	Vecteo Process	Internal Audit Work Performed	Findings and Recommendations
				Management Information process.
5	<p>To deliver the adults with learning disabilities service between Mondays-Fridays 7.30am and 5.30pm all year round except during the bank holidays and Christmas through to the New Year bank holiday. This service includes the requirement of wheelchair accessible minibuses that operate with pick-ups and drops-offs either at a bus stop or a door to door service. Epileptic and diabetic trained Passenger Assistants are also to be provided (where required) – see 6.1.2 above.</p>	<p>Per inquiry with Vecteo’s Logistics and Business Development Manager, the Adults with Learning Difficulties Service is entirely delivered by Vecteo’s subcontractors, and these subcontractors liaise directly with the Council and with the centres involved. Vecteo therefore holds no data on the performance of this service. The Council confirmed that this is the case, and noted that given the issues with the home-to-school service, the Council preferred to delay transfer of its responsibilities to Vecteo.</p>	<p>Given that Vecteo is not currently involved with delivery of this service, we have not performed detailed testing in relation to this MSR.</p> <p>We noted a potential issue with roles and responsibilities between Vecteo and the Council, given that the Council liaises directly with Vecteo’s subcontractors. The Council has no direct contractual relationship with these subcontractors. This means the de facto relationships involved do not reflect the legal relationships per the contract terms.</p>	<p><i>We did not assess whether Vecteo is meeting this MSR because Vecteo is not currently involved with delivering the adults with learning disabilities service.</i></p> <ul style="list-style-type: none"> • The Council should consult with its lawyers and determine if a contractual variation is needed in respect of the change in roles and responsibilities for monitoring the delivery of this service. • The Council, in consultation with Vecteo, should determine what level of involvement Vecteo and the Council should each have with the Service going forwards. • If the Council continues to oversee subcontractors directly, this should be formally agreed with Vecteo, given Vecteo’s contractual responsibility for the Service. In this case the Council should consider whether any

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				<p>contractual relationship (such as a short memorandum) is needed between the Council and the subcontractors who run the service.</p> <ul style="list-style-type: none"> If the Council continues to oversee subcontractors directly, the Council should consider the need for these subcontractors to directly report Management Information to the Council, and agree the nature and timing of reporting with these subcontractors. If Vecteo takes responsibility for this Service, Management Information should be provided to the Council on a regular basis confirming service delivery.
6	<p>To deliver the Supervised Contact service seven days a week between 9.00am and 5.30pm (including bank holidays except Christmas Day) after school or during the school holidays including weekends. This service can vary from a return to and from a child's home or a one-way trip.</p>	<p>Per inquiry with Vecteo's Logistics and Business Development Manager, the Supervised Contact Service is entirely delivered by Vecteo's subcontractors, and these subcontractors liaise directly with the Council and with the centres involved. Vecteo therefore holds no data on the performance of this</p>	<p>Given that Vecteo is not currently involved with delivery of this service, we have not performed detailed testing in relation to this MSR.</p> <p>We noted a potential issue with roles and responsibilities between Vecteo and the Council, given that the Council liaises directly with</p>	<p><i>We did not assess whether Vecteo is meeting this MSR because Vecteo is not currently involved with delivering the supervised contact service.</i></p> <p>We recommend the following:</p> <ul style="list-style-type: none"> The Council should consult with its lawyers and determine if a

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No.	Minimum Service Requirement (extract from contract)	Vecteo Process	Internal Audit Work Performed	Findings and Recommendations
	<p>This service is usually provided by a taxi. However there may be occasions where this involves a number of siblings and the requirement of multiple car seats, so a minibus may be used on occasions (see 6.1.3 above).</p>	<p>service. The Council confirmed that this is the case, and noted that given the issues with the home-to-school service, the Council preferred to delay transfer of its responsibilities to Vecteo.</p> <p>Vecteo intends to move to direct delivery of the Supervised Contact service from February 2022.</p>	<p>Vecteo’s subcontractors. The Council has no direct contractual relationship with these subcontractors. This means the de facto relationships involved do not reflect the legal relationships per the contract terms.</p>	<p>contractual variation is needed in respect of the change in roles and responsibilities for monitoring the delivery of this service.</p> <ul style="list-style-type: none"> The Council and Vecteo should agree Management Information to be provided when Vecteo takes on this service. This could include route lists and loading lists, similar to the home-to-school service. The Council should receive and spot check this Management Information as appropriate.
7	<p>To deliver the respite care service Monday-Friday during the school academic year and school holidays. This service can vary from a return to and from the child’s home or a one-way trip. These return trips could be spread over a weekend or a couple of days (see 6.1.3 above).</p>	<p>Travel to respite care is delivered by Vecteo and its subcontractors. Most respite care is booked in advance by parents on an ongoing basis, and is run within the overall framework of the home to school service. Children will simply be taken to respite carers rather than to their homes on these days. This is included on the route lists and loading lists.</p> <p>On occasion, there are ad hoc changes to arrangements whereby</p>	<p>Our testing of the route lists (see MSR 1 and 2 above) gives partial assurance over this MSR.</p> <p>We are unable to provide assurance in relation to delivery by subcontractors, or in relation to ad hoc changes to arrangements.</p>	<p><i>Vecteo was partially able to demonstrate compliance with this MSR for direct delivery (but not for subcontractors).</i></p> <p>We recommend that:</p> <ul style="list-style-type: none"> The route lists make clear any child for whom respite care arrangements are in place. Any ad hoc changes to routes as a result of respite care arrangements should be logged centrally by Vecteo, and

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		<p>a child needs to be taken to a respite carer as a one off. Vecteo is typically informed of these changes by Passenger Assistants or drivers, though Vecteo has communicated with parents asking them to contact the Vecteo office directly when this occurs. In these cases, Vecteo will make changes to transport arrangements as required, for example if the location varies significantly from normal.</p> <p>There is no definitive process for recording ad hoc changes to routes centrally, and Vecteo currently does not have assurance that Passenger Assistants and drivers may informally agree to take children to respite carers without the knowledge of office staff. However, this will change when the Cordic system is introduced as it will enable live tracking of journeys. The system will flag automatically where pick-ups and drop offs take place outside of scheduled times and locations.</p> <p>As part of the training process, Vecteo has also informed</p>		<p>reported to the Council in summary on a monthly basis.</p> <ul style="list-style-type: none"> • The Council should review the information contained in these reports for reasonableness on a regular basis. • Equivalent reporting for respite care should be introduced for Vecteo’s subcontractors. • This process should be reviewed when the Cordic system is implemented to take advantage of efficiencies that the system brings about. This system is expected to allow journey tracking, and unexpected route changes could be identified and reported by Vecteo to the Council.

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		<p>Passenger Assistants of the need to coordinate any changes to the process with office staff.</p> <p>No specific reporting is in place in relation to respite care for Vecteo's subcontractors.</p>		
8	<p>To manage the bookings for the provision of 'on demand' Dial-a-Ride services Monday-Friday (10.00am-2.30pm) using wheelchair accessible minibuses that operate a door to door service. This service may also require assistance with carrying the Service Users shopping to the front door of the Service User (see 6.1.4 above).</p>	<p>Vecteo maintains this service (essentially a daytime taxi service for disabled adults) and has been running it directly since March 2020. Booking takes place over the phone for members who have signed up to receive this service, and the service currently supports two to three passengers a week.</p> <p>Vecteo committed to expansion and marketing of the dial-a-ride Service as part of its tender submission, including online booking and increased visibility. However, this has not been a focus given issues with other aspects of the contract, and Vecteo has instead maintained a telephone only booking system focussed on existing users, typically transporting 2-3 users per week.</p>	<p>We inspected booking records for the Dial-a-ride service for the week beginning 15 November 2021. We confirmed that a number of bookings had been made and that drivers were in place in respect of these bookings.</p> <p>Whilst Vecteo is running a Dial-a-Ride service, this is limited to a small number of service users, who book by phone. Vecteo undertook as part of its tender submission to increase the number of service users who can access this service, and to expand the booking system. Given that this has not occurred, we have concluded that there is partial compliance with this MSR.</p>	<p><i>Vecteo was partially able to demonstrate compliance with this MSR (not applicable to subcontractors).</i></p> <p>We recommend that:</p> <ul style="list-style-type: none"> • Management Information reporting should be introduced between Vecteo and the Council for the dial-a-ride service, possibly through Vecteo sharing its booking records with the Council. • Implementation of expansion and marketing of the dial-a-ride Service should be tracked by the Council through ongoing contract management meetings with Vecteo.

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No.	Minimum Service Requirement (extract from contract)	Vecteo Process	Internal Audit Work Performed	Findings and Recommendations
		<p>Vecteo's Logistics and Business Development Manager noted that the same vehicles and drivers are used for the Dial-a-Ride service as for the home to school service. Given Vecteo only started delivering the home to school service, Vecteo notes the limited timeframe to pursue this expansion, especially in the context of overall disruption to the Adults service due to COVID-19.</p>		
9	<p>The vehicles used in delivery of this service must meet the standards set out 7.5 and 7.6 below and be fully compliant with all relevant Licencing Regulations and Southend Licencing (where applicable) including the use of signs which must also comply with 7.7 below.</p>	<p>There are two different types of vehicles: Public Service Vehicles and Private Hire Vehicles. Public Service Vehicles are licenced through the Traffic Commissioner. Private Hire Vehicles are licenced through local authorities, and Vecteo's vehicles are licenced through Rochford.</p> <p>Licensing information for Vecteo's vehicles is maintained on a spreadsheet by Vecteo.</p> <p>Vecteo does not hold information in relation to licensing of subcontractor vehicles.</p> <p>There is a further contractual requirement that Private Hire</p>	<p>We confirmed by inspection of Vecteo's spreadsheet that 22 Private Hire vehicles were licensed through Rochford, including details of the registration dates, licensing dates and expiry dates for all vehicles listed.</p>	<p><i>Vecteo was largely able to demonstrate compliance with this MSR for direct delivery (but not for subcontractors).</i></p> <p>We recommend that:</p> <ul style="list-style-type: none"> The Council should request to see the spreadsheet containing licensing information for Vecteo's vehicles on an annual basis, and should perform a reasonableness check on this spreadsheet. The Council should perform spot checks on Vecteo's vehicles, possibly including physical inspection to confirm

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		<p>Vehicles meet Southend’s licensing requirements, even if Vecteo licences vehicles with another authority. Vecteo staff informed us that they had initially wanted to license vehicles through Southend, had gained an understanding of the requirements, and made some modifications to reflect Southend licensing requirements. Licensing through Southend had not been possible within the timescale required but Vecteo is confident that its vehicles meet Southend requirements.</p> <p>However, there is no documentation demonstrating that Vecteo’s vehicles meet Southend licensing requirements.</p>		<p>whether the vehicles meet Southend’s licensing requirements.</p> <ul style="list-style-type: none"> • Equivalent reporting should be put in place for Vecteo’s subcontractors and this should be shared with Southend by Vecteo as part of the contract monitoring process.
10	<p>To ensure all drivers and passenger assistants comply with the requirements set out in 7.8 below. <i>(These relate to training [covered in MSR 12] as well as that each driver should have an appropriate licence.)</i></p>	<p>Vecteo staff initially informed us that drivers were registered on the E-Davis system, which is aligned directly with the DVLA and allows real-time tracking of drivers’ licence details.</p> <p>However, it transpired during the course of the audit that this was not the case, and therefore Vecteo</p>	<p>We were unable to perform detailed testing in relation to this MSR because Vecteo has not maintained documentation of drivers’ licences.</p>	<p><i>Vecteo does not have appropriate data in place to demonstrate compliance with this MSR.</i></p> <p>Vecteo was unable to evidence compliance with this MSR. We recommend that:</p>

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		<p>does not currently have documentation on file of its drivers' licenses. Vecteo's Logistics and Business Development Manager informed us that he is in the process of obtaining waivers so the e-Davis system can be used going forwards, and is producing a spreadsheet with these details in this interim.</p> <p>Vecteo also does not have a procedure to ensure subcontractors report details of drivers' licences.</p>		<ul style="list-style-type: none"> • Vecteo should produce a record of drivers' licences for its drivers, either through a spreadsheet or the e-Davis system. • As part of its contract management procedures, the Council should perform spot checks on licenses for a selection of drivers, through inspection of Vecteo's records. • Equivalent reporting should be put in place for Vecteo's subcontractors and this should be shared with Southend by Vecteo as part of the contract monitoring process.

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11	<p>To ensure all Drivers and Passenger Assistants employed by the Partnership have an enhanced Disclosure Barring Service (DBS) check before commencement on any service.</p>	<p>Vecteo maintains records of DBS checks for its staff on a spreadsheet. Most staff had their contracts transferred to Vecteo having previously worked for the Council and Vecteo obtained certificates from these staff from their previous employment. Where these certificates could not be located, Vecteo has requested replacements.</p> <p>Subcontractors have reported details of staff DBS checks to Vecteo, and Vecteo retains details of this information in a spreadsheet (see also Finding 11 on Data Handling).</p> <p>There are no positive disclosures for any Vecteo staff but there are three positive disclosures for subcontractor staff relating to historic infractions. Vecteo has cleared with the Council that these staff can work despite the disclosures.</p>	<p>By inspection of spreadsheet records, including certificate numbers, we confirmed that DBS checks were in place for Vecteo staff, and for staff at three of four subcontractors. We noted that Vecteo was still processing DBS checks for two drivers but confirmed by inspection of route lists that these drivers were not included.</p> <p>For the three subcontractors, we noted details of DBS checks were in place for all staff listed and there were a total of three positive disclosures. We confirmed by inquiry that the Council’s Service Manager, Integrated Transport & Fleet Solutions was aware of these disclosures and did not object to these staff working.</p> <p>We were unable to obtain records of DBS checks for the remaining subcontractor, and we understand that Vecteo had not yet received reports from that subcontractor.</p>	<p><i>Vecteo was largely able to demonstrate compliance with this MSR, for both direct delivery and subcontractors.</i></p> <p>We recommend that:</p> <ul style="list-style-type: none"> • Vecteo should obtain details of DBS checks from the remaining subcontractor. • The Council should perform spot checks to confirm that DBS certificates are in place for a selection of staff.

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No.	Minimum Service Requirement (extract from contract)	Vecteo Process	Internal Audit Work Performed	Findings and Recommendations
12	<p>To ensure all Drivers and Passengers Assistants undertake the necessary training.</p>	<p>The necessary training is set out in the Service Agreement. Vecteo provides training for all of its drivers and PAs. This includes five online modules and a face-to-face session covering the Passenger Assistant Training Scheme (PATs). The online modules are entitled:</p> <ul style="list-style-type: none"> • First Aid Level 3 • GDPR • Health and Safety • Safeguarding • Epilepsy <p>Details of training received by staff are recorded in a training matrix. Vecteo staff informed us that take up of training is good, and that all routes have at least one fully trained staff member.</p> <p>Vecteo has also sent templates to its subcontractors requesting that they fill in dates that equivalent training was received for subcontractor staff, and received responses from some of the subcontractors.</p>	<p>We referenced the titles of training received by Vecteo staff to the contract, and confirmed that this training was in line with our expectations and the contract's requirements.</p> <p>We inspected Vecteo's training matrix as at 30 November 2021 and confirmed that staff had received training between September and November. In particular, 75 of 89 staff had received the face-to-face training, and for a further 7 of these staff members, specific reasons were recorded why this training had not yet been received.</p> <p>To test the completeness of the listing, we confirmed for a sample of five routes that all staff on these routes were included on the matrix, and that these routes had at least one fully trained staff member. No exception was noted in relation to this test.</p> <p>We also inspected the submissions received from subcontractors, and noted that</p>	<p><i>As at 30 November 2021, Vecteo was largely able to demonstrate compliance with this MSR for direct delivery (but not for subcontractors). However, Vecteo was not meeting this MSR as at 1 September 2021.</i></p> <p>As at 1 September 2021, Vecteo was not meeting this MSR because training had not been provided for drivers and PAs.</p> <p>However, as of 30 November 2021, Vecteo had largely met this MSR for in-house staff, with limited exceptions where individual staff had not attended particular training sessions. However, this is being actively tracked and monitored by Vecteo.</p> <p>Vecteo does not have data to evidence compliance with this MSR in relation to staff employed by subcontractors.</p> <p>We recommend that:</p> <ul style="list-style-type: none"> • the Council should receive and inspect training matrices for both Vecteo and subcontractor

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			<p>these were incomplete. Of the four subcontractors, only Serole had provided a full detailed submission. In particular, no training data was available in relation to AC staff, and data in relation to Alpine and Kinect staff only included details of the PATS training.</p> <p>Vecteo's Logistics and Business Development Manager informed us he was 'addressing with the sub-contractors as a matter of urgency', and further noted that the subcontractors had told him that they had not provided this information to Southend when the service was provided in-house.</p>	<p>staff on a quarterly basis as part of its contract management procedures.</p> <ul style="list-style-type: none"> • Vecteo should continue to follow up with subcontractors to ensure that training is provided for their staff, and should regularly inspect subcontractor training matrices.