

Southend-on-Sea City Council

Report of Executive Director (Neighbourhoods & Environment)

To

Shareholder Board

On

12th October 2022

Report prepared by: John Burr Executive Director
(Neighbourhoods & Environment)

Agenda
Item No.

LHCS and Southend Travel Partnership Ltd (T/A Vecteo)

Relevant Scrutiny Committee(s) – Policy and Resources
Cabinet Member: Cllr Paul Collins
Part 1 (Public Agenda Item)

1. Purpose of Report

To update the Shareholder Board on the following matters: -

- a) The current level of service delivery to Southend-on-Sea City Council, with a specific focus on the start of the new Autumn school term (section 3.1)
- b) Vecteo's position in response to the article in the Oracle publication (section 3.2)

2. Recommendations

The Shareholder Board is asked to note the updates.

3. Background

As detailed in 1) above the updates are as follows: -

3.1 The current level of service delivery to Southend City Council, with a specific focus on the start of the new Autumn term.

- 3.1.1 In September 2021 Vecteo changed its service delivery model from exclusively using subcontractors (Subcontracts which were previously arranged and managed by Southend City Council), to delivering most of the services by their own directly employed staff. This resulted in a significant reduction in the use of subcontractors. Whilst this change was always planned to happen, the way it took place (both by Vecteo and the Council) led to significant, unacceptable challenges for its passengers, their parents/carers and for Southend City Council.

- 3.1.2 Vecteo has worked closely with Southend City Council officers over the last 12 months which has led to significant improvements, albeit not always at the pace desired. However, since the employment of a new manager for Vecteo (externally appointed), the appointment of 2 new Southend City Council Board Directors, and the identification of a Southend City Council shareholder representative, service delivery has improved at a more significant rate.
- 3.1.3 The biggest risk point for the service was likely to be start of the new Autumn term (September 2022). This risk point is due to the large number of changes that must be made due to former students leaving, and new students being able to use the service. This in turn means that existing routes must be changed, and new routes created where needed.
- 3.1.4 This year the Council's education team, the contract management team and Vecteo worked closely together to develop a detailed mobilisation plan for the new term. This plan included the scheduling of the 'meet and greet' sessions, the production of the individual risk assessments as well as a proper engagement and communications plan. This was implemented and the net result is that the service delivery for the whole of September has been extremely successful with 0 formal complaints received to date, and several compliments.
- 3.1.5 The quality of the service delivered to Southend City Council is not directly a matter for the Shareholder Board, but it has been included to provide a context to the following points within this report and the part 2 report of the same date. A full performance report is provided to the Council's People Scrutiny Committee, but for information below are some currently available performance headlines:
- Formal complaints received = 0
 - Reported issues = 7 (4 were non Vecteo matters, 3 were subcontractor matters)
 - Safeguarding incidents = 0
 - Routes completed within 60 minute target (75 min for secondary school age students) = 100%
 - Notification of changes to stakeholders giving 24 hours min notice = 98%
 - Scheduled routes operated = 100%
 - Training and DBS records up to date = 100%

3.2 Vecteo's position in response to the article in the Oracle publication

- 3.2.1 Vecteo has been aware for some time of rumours, and more recently allegations in local media, that it has been misappropriating funds that were provided by Southend City Council. At Vecteo's most recent board meeting (21st September 2022) the board, and both its Shareholders, expressed grave concerns that unsubstantiated allegations were being made in public (verbally and in writing) and that Vecteo and/or its shareholders reserved the right to take legal action to defend itself. The board wanted to make it completely clear to the shareholders (both Southend City Council and London Hire Community Services) that the allegations were entirely false and that their accounts clearly

demonstrate where the Council's funds had been utilised (as per the Cabinet member decision of March 2019, and in accordance with the contract.

3.2.2 As part of the internal investigation the Council will provide evidence of all payments made to Vecteo and that they were either in accordance with decisions formally approved by Cabinet or by Standing Order 46 decisions. The early variances from the original costings were due to the significant impact that covid had on the service, and these were all approved formally under the City Council governance process.

3.2.3 3.2.1 above is not intended to replace the need for the current enquiries being undertaken by Southend City Council or any investigation being carried out by the Police, but the Vecteo board wished to express their firm view that Vecteo was being unfairly accused in a public arena. London Hire Community Services have already taken legal advice and will no doubt consider their position further once the reports from the formal investigation are published.

4. Other Options

Report for noting only.

5. Reasons for Recommendations

Report for noting only.

6. Corporate Implications

6.1 Contribution to the Southend 2050 Road Map
Report for noting only.

6.2 Financial Implications
Report for noting only.

6.3 Legal Implications
Advice is being sort as to the possible implications for Southend City Council if Vecteo, or its shareholders were to instigate legal proceedings against the Council, or those making the allegations referred to in 3.2 above.

6.4 People Implications
Report for noting only.

6.5 Property Implications
Report for noting only.

6.6 Consultation
Report for noting only.

6.7 Equalities and Diversity Implications
Report for noting only.

6.8 Risk Assessment

Report for noting only.

6.9 Value for Money
Report for noting only.

6.10 Community Safety Implications
Report for noting only.

6.11 Environmental Impact
Report for noting only.

7. Background Papers
None

8. Appendices
None