

SEFTON COUNCIL

**SCRUTINY AND REVIEW COMMITTEE
(Performance and Corporate Services)**



Specialist Transport Unit Working Group

REPORT TO COMMITTEE/CABINET



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ITEM NO. 7

1. BACKGROUND TO THE REVIEW

- 1.1 The Council's Specialist Transport Unit (STU) commenced operation in 2005/06, following the consolidation of most of the client transport services provided by both the Children's Services Directorate and the former Social Services Department.
- 1.2 The Council has legal responsibilities to ensure that certain categories of client are safely and responsibly transported to their place of education or care. However, the method for meeting that responsibility remains discretionary.
- 1.3 The base budget for the Unit was £4.2m in 2005/06 and in that year it was **overspent** by a total of £1.45m. This put a strain on the Council's budget in that on-going overspends in 2006/07 and beyond would continue to put pressure on already stretched resources.
- 1.4 A number of reports have been presented to both this Committee and the Cabinet over the last few months updating Members on the latest situation with regard to the overspend on Specialist Transport.
- 1.5 At its meeting on 20 February 2007, this Committee considered a report of the Finance Director on the action taken and other developments towards reducing the overspend on Specialist Transport. (Minute No. 47 refers).
- 1.6 The Committee resolved that:-
 - “(1) the report and the actions being taken with regard to Specialist Transport be noted;
 - (2) a Working Group be established to consider the matter in greater detail, prior to a further report on the matter being submitted to this Committee on 8 May 2007; and
 - (3) Party Groups be requested to consider membership of this Working Group and to advise the Scrutiny Support Officer accordingly.”

2. MEMBERSHIP OF THE WORKING GROUP

- 2.1 It was subsequently determined among the Party Groups that membership of the Working Group should be comprised of the following:-

Ex-Councillor Brough (Conservative Group)
Councillor D. Hardy (Labour Group); and
Councillor B. M. Rimmer (Liberal Democrat Group).

3. MEETINGS OF THE WORKING GROUP

- 3.1 Two meetings of the Working Group took place, as follows:-

Tuesday, 3 April 2007 at the Town Hall, Bootle; and
Tuesday, 17 April 2007 also at the Town Hall, Bootle.

4. LEAD MEMBER OF THE WORKING GROUP

- 4.1 The Working Group agreed at its first meeting that its Lead Member should be **Councillor D. Hardy**, the Chair of the Committee.

5. PURPOSE OF REVIEW

- 5.1 At their first meeting Members considered what terms of reference and objectives the review should follow, particularly in light of the imminent Borough Council Elections in May 2007 and the fact that ex-Councillor Brough would not be standing for re-election.
- 5.2 The Working Group agreed **to investigate the full historical background to the establishment of the STU**, in order to determine the reasons for the financial issues which have arisen since.
- 5.3 The Working Group also considered that in the event that this Committee established a further Working Group in 2007/08 to investigate the issues further, the full historical background information would be available to it.

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6. TERMS OF REFERENCE AND OBJECTIVES

6.1 The following Terms of Reference and Objectives were agreed:-

1. To carry out a full investigation into the establishment of the Specialist Transport Unit (STU) of the Finance Department, Sefton Council.
2. To determine the reasons for the causes of the budgetary overspend in the STU in 2005/06.
3. To provide full background information in the event that a further Working Group is established to monitor issues in relation to the STU.
4. To make recommendations, through the Scrutiny and Review Committee (Performance and Corporate Services), regarding the management of major changes to services.

7. METHODS OF INQUIRY

7.1 The methods of inquiry undertook the form of investigative techniques with question and answer sessions at informal meetings with appropriate officers.

8. OFFICER SUPPORT/WITNESSES

8.1 The Working Group was supported by the Scrutiny Support Officer for the Scrutiny and Review Committee (Performance and Corporate Services).

8.2 The following Officers offered both support to the Working Group and evidence in the form of information:-

- Finance Director;
- Head of Operations, STU;
- Head of Strategy, STU; and
- Senior Asst. Finance Director.

8.3 The following Officers appeared as witnesses and gave evidence in the form of information:-

- Head of Assessment and Special Needs, Children's Services;
- Assistant Director – Inclusion, Children's Services;
- Principal Manager, Health and Social Care.



9. FINDINGS OF THE STU WORKING GROUP

A. BACKGROUND TO THE ESTABLISHMENT OF THE STU

- A.1 The Council has legal responsibilities to ensure that certain categories of client are safely and responsibly transported to their place of education or care. However, the method for meeting that responsibility remains discretionary.
- A.2 Following the completion of a Best Value review of transport services by the TAS Partnership in 2003, it was considered logical to consolidate most of the client transport services provided by both the Children's Services Department and the former Social Services Department into one unit in the Finance Department.
- A.3 It was anticipated that mini buses would be fully utilised as they would be used to transfer children to schools in the morning, then later in the morning they would collect older people from their homes to take them to day centres. Return journeys then took place later in the day.
- A.4 The new Specialist Transport Unit, based in the Finance Department, commenced operation in 2005.

B. BACKGROUND DIFFICULTIES

- B.1 At the time of the establishment of the STU, the former Social Services Department had recently successfully removed itself from the constraints imposed by the Government's "special measures" and all efforts were concentrated on maintaining that position.
- B.2 For managers in the former Social Services Department and Children's Services, their priority was always for the service users; and the provision of a support service, namely transport, was not a top priority. It is conceded that greater attention should have been paid to the changeover.
- B.3 In retrospect it is considered that the changeover in the transport provision occurred very speedily and the planning for it could have been improved, with greater attention to detail. If available, greater resources could have been devoted to researching and planning for the change.

C. BUDGET/ANTICIPATED SAVINGS FOR THE STU

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- C.1 The TAS report anticipated a significant saving in the merger of the two former services.
- C.2 On the establishment of the STU, only the relevant budget lines were transferred from the Children's Services and former Social Services Departments.
- C.3 In retrospect, it is considered that this budgetary provision was probably inadequate as it would have left a lack of support for the financial and personnel aspects of the Unit which would have funded certain costs such as training, car allowances and premises security.
- C.4 In addition, the overall service provision was subject to revision from September 2005. Contracts with transport providers, such as the coach and taxi companies, were re-valued for the first time, which led to five years of contract inflation being built into the STU budget.
- C.5 The budget for the STU was further reduced by the savings anticipated to take effect in the first year of operation. These efficiency targets, including a vacancy management target of 3% of the original service budget, are now deemed to be inappropriate and/or unachievable.
- C.6 It is also considered that there was a "headlong rush" to try to produce savings rather than a structured approach.
- C.7 The base budget for the Unit was £4.2m in 2005/06 and in that year it was overspent by a total of £1.45m. This put a strain on the Council's budget in that on-going overspends in 2006/07 and beyond would continue to put pressure on already stretched resources.

D. OFFICER INVOLVEMENT

- D.1 Officers who were involved with the establishment of the STU have since left the Authority which has made it difficult to determine responsibility and could be said to have created a lack of continuity with the management of the Unit.
- D.2 Not all of the staff, who had been previously been involved in the service provision, were transferred to the STU on its establishment. This prevented aspects of the "inside/working knowledge" being transferred and the long-standing support frameworks which had previously existed within the former Departments were lost and not fully re-established within the new Unit.
- D.3 Resentment appears to have developed amongst some of the staff previously involved in the service provision, possibly due to the way the merger was handled, and this contributed to the breakdown of support frameworks for the new service.

E. PROBLEMS WITH SERVICE DELIVERY

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- E.1 A total of some 1500 clients were affected by the merger.
- E.2 In hindsight, it is considered that the impending change in the delivery of the service was not fully communicated to service users, as complaints were made regarding the changes, particularly with regard to children. Many of them had originally been transported in taxis and were then transferred into mini buses. After the complaints were made, some children were transferred back into taxis, resulting in mini buses being half empty. Consequently, this meant that the service was being duplicated, together with the on-going costs involved with such duplication.
- E.3 Difficulties arose with the implementation of the IT system which should have allowed for the revision of existing routes and vehicle providers in order to identify the most effective use of existing resources.

10. CONCLUSIONS FROM THE REVIEW

ITEM NO. 7

- 10.1 Members consider that there is a case for formalising “best practice” with regard to the management of major change to service provision/ major restructuring of services, particularly in relation to the following:-
- thorough planning for the change and for the impact which the changeover may incur, including any IT changes;
 - full, direct consultation/communication with all affected service users and employees;
 - utilisation of appropriate expertise, including secondment where appropriate.
- 10.2 Lessons could be learnt from the experiences surrounding the establishment of the STU. As the Council’s Major Service Review is currently taking place, it appears to be timely for findings and outcomes to be fed into that Review. This would hopefully ensure that the mistakes made would not be repeated again and be of constructive use.
- 10.3 Members also consider that Scrutiny and Review Committees, and/or their Working Groups, could play a valuable role during the process of a major change in the structure of services/service delivery and a cross-Committee approach could be adopted where appropriate.
- 10.4 It is recognised that many of the procedures currently in place in respect of the STU now represent good practice. An **Action Plan** has now been put in place to combat the situation. In addition, two groups have been established to oversee and review the Specialist Transport Unit, as follows:-
- An Executive Board** to ensure improvements receive appropriate support and priority, chaired by the Chief Executive and comprising the Directors of Adult and Children’s Services and the Finance, Legal and Personnel Directors; and
- A Working Group** to deliver the improvements chaired by the Senior Assistant Finance Director and comprising representatives at a senior level from Children’s Services, Legal, Adult Social Services, Personnel and Finance Departments, including both Financial Management and the STU.
- 10.5 However, Members feel that there is merit in continuing the work begun by this Working Group and that the issues surrounding the STU, namely the control and turn-around of its overspend, should continue to be monitored. Also, it would ensure that the Action Plan for the STU was scrutinised by Members.

11. RECOMMENDATIONS

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That the Scrutiny and Review Committee (Performance and Corporate Services) be requested to:-

- (a) consider establishing a further Working Group in 2007/08, with a small composition, to meet possibly quarterly, with a view to considering further the overspend of the STU and to examine the Improvement Plan now in place for it; and
- (b) support the following recommendations and forward them to the Cabinet for approval:-
 - (i) that a commitment be undertaken for the appropriate Scrutiny and Review Committees and/or their Working Groups, to be utilised to play a full role during the planning stages of a major change in the structure of services and/or service delivery; and
 - (ii) that the findings of this Review be forwarded to the Member/Officer Working Group for the Major Service Review, with a view for that Working Group to ensure that none of the mistakes associated with the establishment of the STU are repeated, and the following principles for best practice with regard to the management of major change to service provision/ major restructuring of services, are adopted at all times:-
 - the thorough planning for the change and for the impact which the changeover may incur, including any IT changes;
 - full, direct consultation/communication with all affected service users and employees;
 - the utilisation of appropriate expertise, including secondment where appropriate.

SEFTON COUNCIL



SCOPING EXERCISE

***SCRUTINY AND REVIEW COMMITTEE
(PERFORMANCE AND CORPORATE
SERVICES)***

**SPECIALIST TRANSPORT UNIT WORKING
GROUP**

APRIL/JUNE 2007

MEMBERSHIP

Councillors D. Hardy (Lead Member), Brough and B.M. Rimmer.

Extract:

SCRUTINY AND REVIEW COMMITTEE (Performance and Corporate Services)
Meeting of 20 February 2007.

MINUTE NO. 47 – SPECIALIST TRANSPORT UNIT

Further to Minute No. 29 of 14 November 2006, the Committee considered the report of the Finance Director on the action taken and other developments towards reducing the overspend on Specialist Transport.

RESOLVED: That

- (1) the report and the actions being taken with regard to Specialist Transport be noted;
- (2) a Working Group be established to consider the matter in greater detail, prior to a further report on the matter being submitted to this Committee on 8 May 2007; and
- (3) Party Groups be requested to consider membership of this Working Group and to advise the Scrutiny Support Officer accordingly.

TERMS OF REFERENCE AND OBJECTIVES

1. To carry out a full investigation into the establishment of the Specialist Transport Unit (STU) of the Finance Department, Sefton Council.
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4. To make recommendations, through the Scrutiny and Review Committee (Performance and Corporate Services), regarding the management of major changes to services.

METHODS OF ENQUIRY

Investigative techniques/site visits

Question/answer informal meetings with Council Officers.

TIMESCALES

See Planning Chart

Members have indicated that the review report should be presented to the Scrutiny and Review Committee (Performance and Corporate Services) at its meeting on 8 May 2007.

OFFICER SUPPORT

Named Officers

Scrutiny Support Officer: Debbie Campbell

OTHERS WHO WILL BE INVOLVED

Witnesses:

Barbara Taylor, Head of Assessment and Special Needs, Children's Services;
Colin Oxley, Assistant Director – Inclusion, Children's Services;
Colin Speight, Principal Manager, Health and Social Care;
Graham Mussell, Head of Strategy, STU;
Lynton Green, Senior Asst. Finance Director;
Paul Edwards, Finance Director; and
Paul Wade, Head of Operations, STU.

ARRANGEMENTS FOR REPORTING TO CABINET/COUNCIL

Timetable of committees, link into the planning chart, type of report/minute

1. It was the intention of the Working Group to formally present its report at the meeting of the Scrutiny and Review Committee (Performance and Corporate Services) on 8 May 2007.
 2. Any recommendations to Cabinet could be presented at its meeting scheduled for 14 June 2007.
- Nb. The meeting of the Scrutiny and Review Committee (Performance and Corporate Services) scheduled for 8 May 2007 was subsequently cancelled. It is intended for the Working Group's report to be submitted to the meeting scheduled for 26 June 2007 to enable recommendations to be submitted to the Cabinet meeting on 12 July 2007.

PLANNING CHART

Activity/ Date	Feb 07	Apr 07	May 07	Jun 07	Jul 07
Working Group Established	XXXX				
Scoping		XXXX			
Witnesses		XXXX			
Initial Findings		XXXX			
Report			XXXX		
S&R Cttee Considers				XXXX	
Submit to Cabinet (if appropriate)					XXXX

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Ten Step Process Flow Chart

