

## **Medway Council Special Educational Needs (SEN) Transport (Category Management Team)**

Medway had encountered a problem with the fluctuation (upwards) in costs that they were experiencing due to the changes in transport arrangements throughout the academic school year. Historically, the numbers of children needing SEN transport have stayed roughly the same but the costs have been increasing.

The Medway category management team introduced an innovative solution, a one operator/one school site approach which includes a plus/minus 25 per cent tolerance mechanism on numbers of children using Special Educational Needs (SEN) Transport. Via this transparent mechanism, the council can now be said to be achieving best value for the tax payer.

The numbers of children are set at the beginning of the school year with an agreement that as long as the number of children does not go outside of the plus/minus 25 per cent tolerance mechanism, there will be no change in the agreed school site price. This ground breaking approach shows that control can be created and it can work for all parties involved. The real advance is that this mechanism can be replicated around the country without restriction to help others to control their SEN transport costs.

The gathering of data was crucial to enable the one operator one school site approach to happen. Previously, transport had been provided on a route by route basis with no overall view as to what would work efficiently for the council or the transport operator. There was confusion as to who held what information regarding transport and therefore, pulling this together was an immense challenge and involved taking a cross functional stakeholder involvement approach to ensure that this happened.

### Expected Outcomes

The category management team undertook an analysis of the potential outcome from running a tender to implement the one operator per school site approach. The analysis of existing costs and approaches resulted in a target of a £400k saving being implemented.

### Success to Date

Prior to running the EU tender, a pilot was implemented via Medway's joint venture partner, Medway Norse, at three selected school sites. This reduced costs by £100k and has actually led to a cost avoidance of approximately £50k being delivered.

Following the completion of the tender to establish the service levels and standards of the framework, Medway ran mini competitions for selected school sites and where applicable, routes for the framework operators.

By utilising this approach, the transport operators were able to better use their vehicles through more effective and efficient route planning to reduce mileage and journey times to provide the council with an annual price per school site.

The outcome of the exercise has delivered the council a £1.1m annual saving, a huge £4.4m over the lifetime of the framework. Additional efficiencies have also been realised through a reduction in the numbers of invoices being received by the council estimated at £15k per year in processing efficiencies. Other benefits delivered have been a reduction in carbon emissions and congestion due to the more efficient use of vehicles.

### Performance

The transport operators were instructed to make contact with parents prior to the start of term to introduce themselves and explain how the service would work going forward in terms of how they would meet the needs of the children they were transporting. Any anomalies were then able to be picked up and fed back to the SEN team for resolution. Parents were provided with contact information about their operator and so any issues could be raised and quickly resolved. The schools have also found this approach beneficial as they have known exactly who to contact where as before it could have been any number of operators they would need to contact which could end up wasting valuable time. These end user benefits have also given children who previously were transported alone an opportunity to have more social contact as they can now travel with their school friends which is benefiting their development and learning.

### How this has been measured

The category management team working with colleagues in the SEN and operational teams have worked to ensure that they are recording the cost and the savings achieved. The category management team maintain a savings tracker database which is updated regularly to ensure that all benefits are captured. These benefits have ranged from the initial cost saving delivered to additional benefits such as reduced back office costs and reduced costs per mile over the previous approach.

The main pitfall with regard to this procurement is trying to ensure that there was sufficient interest from the market place in the opportunity.

Transport by virtue of its nature tends to be localised and it can be difficult, due to the capital investment required, to encourage new entrants to the market. Medway realised that a combination of a lack of interest and potential low quality bids/service provision could be an issue. The council embarked on a marketing of the opportunity by contacting potential bidders by phone and email and holding a supplier event to provide more information about the opportunity to interested parties. They also supported those bidders by providing them with workshops on tendering tips and how to bid for the opportunity using the council's e-tendering system. The result was that there were a higher than expected number of quality bids to become framework members and some from companies new to the market.

"This shows how having a professional category management team on board, can lead to initiative solutions" said Councilor Adrian Gulvin, Portfolio Holder

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