

**Cabinet Member delegated decision**

**Decision Due** 24 August 2016

**Report title:** Cycle Training Contract

**Wards:** All

**Report Authorised by:** Sue Foster, Strategic Director, Neighbourhoods and Growth

**Portfolio:** Councillor Jennifer Brathwaite, Cabinet Member for Environment and Transport

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**Report summary**

Transport for London (TfL), who provides Lambeth with funding to carry out cycle training through the LIP (Local Implementation Plan) funding stream, has procured a supplier, Cycle Confident for the whole of London. Local authorities can call off from this contract in order to provide packages such as training. This Pan-London contract benefits from economies of scale, advancing technologies as written into the specification, central and local contract management among many others. It is recommended that this contract be used to deliver the essential cycle training service.

**Finance summary**

The use of the centrally procured contract will allow the cycle training budget which is approximately £300k per annum to stretch much further. It will allow the delivery of the training to be more streamlined and essentially training more people for the same cost. The contract has been procured at the lowest possible price whilst maintaining value for money and benefits from economies of scale. The total estimated value of the contract is £900k for the proposed three year call off. The funding to deliver cycle training comes from TfL from the LIP and the Borough Cycle Programme. It is guaranteed for 2016/17 at a level of £258k with further funding to be announced in December 2016. Spend will be managed within the level of funding provided by TfL and will not exceed the funding received. It is anticipated that there will still be funding from TfL going forward from this in a new LIP fund, however if TfL removed the funding the call off contract means that the council would not be under any contractual or financial obligation to spend against the contract. This is a revenue project.

## **Recommendations**

1. That Lambeth calls-off a contract with Cycle Confident from the Transport for London (TfL) framework, from 1 September 2016 to a maximum end date of 31 August 2019 for a maximum total value of £900k for the delivery of the on-going cycle training programme. This is a single supplier framework and the tender referred to was undertaken by TfL to establish it.

## **Reason for Exemption from Disclosure**

The accompanying part II report is exempt from disclosure by virtue of the following paragraphs of Schedule 12A to the Local Government Act 1972:

Paragraph 3: Information relating to the financial or business affairs of a particular person. (Including the authority holding that information).

## **1. Context**

- 1.1 In response to the need to standardise the cycle training offer across London and its boroughs and to benefit from economies of scale, TfL carried out a procurement exercise to create a framework agreement to be used by a selection of boroughs to deliver their cycle training programmes. All necessary procurement rules were followed for a contract of this size. Lambeth Council is able to call off from this contract to deliver cycle training in the borough.
- 1.2 The contract with delivery partner, Cycle Confident, satisfies all three of the overarching outcomes of the Community Plan - encouraging cycling generates cleaner streets and greener neighbourhoods as it reduces air pollution. Safer and stronger communities are created as cycling is a more inclusive activity which establishes healthier communities. The streets are safer as road danger is reduced. More jobs are created through this particular contract as staff are sourced locally. The main hub is based in Lambeth and a large proportion of the workforce are residents in the borough. Additionally, we have been running a project which equips interested Not in Employment, Education or Training (NEET) residents with the skills and qualification necessary to start up in the growing cycling industry.
- 1.3 This is a Gateway 3 Procurement Report.

## **2. Proposal and Reasons**

- 2.1 It is proposed that we call off from the TfL cycle training framework contract. The procurement exercise followed by Transport for London was as follows: Eight suppliers submitted responses to the PQQ. Of these five were invited to tender and all submitted responses. TfL used a 70:30 ratio with a minimum quality threshold of 50% and all responses had to meet Bikeability standards (ensuring capability of suppliers). Bikeability is the national standard for cycle training set out by the Department for Transport which sets out the training and skills essential for making cycling trips in today's road conditions. The chosen supplier, Cycle Confident, received an overall percentage of 58.7. The second placed supplier was 54.3% and third supplier 51.5%.
- 2.2 Calling off from this contract will ensure economy of scale, reduced officer time spent on procurement and added value from the delivery partner.
- 2.3 The contract will include the provision of adult cycle training on an individual basis for as many lessons as is needed for the trainee to feel road confident, thus having the confidence to use the bicycle for transport and reducing congestion and air pollution. We aim to deliver courses to all children in Lambeth schools in Year 5 and 6. Along with these courses we will add on parental engagement sessions and encourage the take up of individual adult courses as we have found that if parents are onboard with cycling they are more likely to let their children cycle. We will continue to provide free Dr Bike sessions weekly around the borough with free bike checks, HGV awareness (allowing cyclists to see the view from the cab and learn how to safely road share with large vehicles) and police bike marking. We will provide subsidised bike maintenance courses

for those who have done the training to encourage bicycle roadworthiness. We will work with community groups to provide tailored courses to encourage hard to reach groups to take up cycling. With this contract we will be able to continue with valuable relationships made with residents, schools and groups in the borough.

### 3. Finance

#### 3.1 Value for Money

The large volume and value of this framework contract (up to 16 boroughs and TfL usage) has enabled TfL to benefit from economies of scale and obtain very competitive rates. Compared to the next most competitive delivery agency, Lambeth would be making savings of about £10 per instructor per hour which will provide additional capacity and more hours of cycle training.

3.2 The value of the contract framework for cycle training is £300k per annum for the duration of the three years. This will be funded solely by TFL grants and has no general fund implications.

3.3 There is some uncertainty about funding for the lifespan of the contract due to austerity measures and new mayoral priorities. However, as this is a call-off contract from a framework we are under no obligation to spend a particular amount and this will be written into the contract. It is anticipated that there will be funding for cycle training in the new Mayor's budget.

3.4 The programme is a revenue funded project the cost centre is D14291. The yearly funding is spent on training adults and children and creating innovative ways of targeting hard to reach groups.

3.5 The £300k annual cost of the contract is higher than the confirmed 2016/17 LIP funding of £258k in expectation of further TFL funding, however, the contract provides for the possibility of change in volume

#### 3.3 Non-cashable Savings

Time and costs will be reduced by a more technical approach to bookings ie, electronic booking and feedback forms. A more streamlined and accountable staff within the contract will ensure time is not wasted. As the hourly rate has been reduced by 75% from our previous contract we are able to offer the service for free to students, workers and residents of Lambeth. This means that we will have a higher take up without higher costs. The contractor employs instructors and mechanics on a freelance basis so we are only paying them when they are working.

<b>Non-Cashable Savings:</b>	Approx £5k per year. An additional saving of £10 per cycle trainer hour on average will be ploughed back into the programme enabling a higher uptake.
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## 4. Legal and Democracy

- 4.1 The delegated authority to deal with the matters set out in this report is vested in the Cabinet Member for Environment and Transport, who will exercise her discretion taking into account the recommendations of the Procurement Board.
- 4.2 The Public Contracts Regulations 2015 apply to the proposed award, and the Council is obliged to publish a contract notice in the Official Journal of the European Union if the value of the services exceeds £164,176. However, there is no requirement to publish a notice when awarding a contract called off a properly procured framework which has been procured in compliance with the regulations provided the Council is named, or is part of an identifiable group cited, in the OJEU notice published in respect of the framework.
- 4.3 The Transport for London Pan-London Cycle Training Services framework is a single supplier framework available to London local authorities. The proposed call off will outlast the life of the framework: this is permitted where it is consistent with previous call offs and not designed to circumvent EU procurement rules. Officers calling off a single supplier framework should take care to ensure that the call off offers value for money.
- 4.4 The Public Services (Social Value) Act 2012 applies to framework agreements and to contracts accessing them. The author of this report has described in section 9c how the procuring body has in this framework secured benefits that might improve the environmental, social and economic wellbeing of their area, and by extension, of any authority accessing the framework.
- 4.5 This proposed key decision was entered in the Forward Plan on 15 July 2016 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

## 5. Consultation and co-production

- 5.1.1 Not required for consultation

## 6. Risk management

- 6.1 .

Risk	Likelihood	Impact	Score	Treatment
A challenge may arise by supplier	2	4	8	The justification of calling off from this contract mitigates this.

Risk	Likelihood	Impact	Score	Treatment
not being awarded the contract				
Commercials may no longer reflect market rate	2	4	8	The original rate of 2011 with a 5% increase has been set for the call off for the next 3 years. This has been compared to another provider and the cost of delivering the programme in house. This rate is favourable in comparison with other options.
Service may not reflect user need	1	8	8	The specification is being reviewed to reflect current user need. Supplier performance will be monitored for the duration of contract during the contract management process.
Procurement process is not completed by August 2016 to ensure continuity of service	3	8	24	There is a medium level possibility that the contract is not awarded by end of August. If this happens then a very short term extension will be put in place. The absolute cut-off date is 9 <sup>th</sup> September when the framework expires. Adhere to the procurement timetable to ensure all actions for procurement of new contract are completed on time.
Receiving lower levels of funding from TfL than expected.	2	8	16	The contract provides for the possibility of change in volume by being used on a call-off basis. Therefore, Lambeth Council can use it for just the exact amount of training that is required.
Staffing levels in the team are reduced	2	4	8	It is unlikely that there would not be capacity for the management of this contract as the programme has a high priority among councillors.

## 6.2 Due Diligence

Safeguarding – it is confirmed that all Cycle Confident staff who work with children or vulnerable adults have been DBS checked.

Insurance – Cycle Confident have public liability insurance which covers them for up to £10 million

A Dun & Bradstreet check is being carried out, the results of which will be received before the contract is put in place.

## **7. Equalities impact assessment**

- 7.1 Transport for London states that it proactively encouraged Diverse Suppliers to participate in its procurement process for this contract. It provided a level playing field of opportunities for all organisations including Small and Medium Enterprises (SMEs), Black and Minority Ethnic (BME) businesses and other Diverse Suppliers. Within its obligations as a Best Value Authority and in compliance with EU and UK legislation, TfL's procurement process was transparent, objective and non-discriminatory in the selection of its suppliers. TfL will actively promote Diverse Suppliers throughout its supply chains.
- 7.2 Cycle Confident aims to create a varied workforce that reflects the diversity of an area which allows easy integration of staff into those areas in which they are working.
- 7.3 The programme itself encourages equality and diversity by offering cycle training equally to everyone who lives, works and studies in the borough. Specific projects which aim to increase inclusivity include work with Wheels for Wellbeing, a disability cycling charity, Lambeth Estate Bike hubs for hard to reach audiences and women's cycle groups for maintenance and led rides. Equality and diversity are at the forefront of our thinking when planning Lambeth cycling programmes. Cycling data from TfL still shows that white, middle class, young men make up most of the cycle traffic on the roads. Our targeting aims to redress this imbalance.

## **8. Community safety**

- 8.1 Cycle training improves community safety by enabling safe road use by cyclists. There may be bicycle theft implications by increased bike ownership but we do provide free advice from Lambeth Safer Transport Police along with free bike security marking at events around the borough in order to offset this.

## **9. Organisational implications**

- a. Environmental  
The provision of cycle skills training encourages the use of bicycles for transport which is environmentally friendly.
- b. Staffing and accommodation  
The contract only needs minimal monitoring from one council officer. All the staffing and accommodation for the programme is satisfied by the contractor.
- c. Procurement

The procurement process has benefitted from the TfL framework and calling off from this. In the infancy of the development of the framework contract a Lambeth council officer was involved in shaping the contract and tender. We therefore have a contract which is fit for purpose and are now calling off from it for a further period.

The delivery partner has satisfied many responsible procurement issues including paying their staff the London Living Wage, recruiting locally and travelling sustainably,

mostly by bike. In a male dominated industry the delivery partner makes special efforts to recruit females and has many freelance female instructors and mechanics.

A scheme has also been developed based at the bike hub in Kennington which allows interested NEETs to learn bike maintenance and also qualify under the City and Guilds award to become a bike mechanic. The scheme includes job-seeking skills as well as tips on how to run a business. Cycle Confident have taken these newly qualified mechanics and given them work experience and then roles within their company.

d. Health

Cycling is an active form of travel and one of the best ways to fit some exercise into a busy schedule. It promotes good health and is an important part of wellbeing for many people. Not only can it reduce obesity but also improves mental health.

**10. Timetable for implementation**

GW3 Report Submission Date	4 August 2016
Procurement Board Meeting GW3 - approval	11 August 2016
Decision on line 10 clear days	17 August – 1 September 2016
Issue contract (Note: framework expires 9 <sup>th</sup> September)	2 September 2016
Place Award Notice on Contracts Finder	5 - 6 September 2016
Meet with successful supplier	beginning of September 2016
Contract start date	September 2016

**KPIs per year**

- To train 1500 school children and engage with their parents through after school clubs.
- To train 750 individuals and provide maintenance courses for those who choose to do them.
- To provide 4-5 bike mechanics for all Dr Bike sessions in our summer programme and ad hoc events and to service 20-40 bikes per 2 hour session.
- To ensure that at least 80% of respondents indicate an increase in road confidence after cycle skills training, measureable by post training survey feedback.

The contractor will provide monthly written reports with information about how many people/children have been trained and feedback from residents as well as monthly spend reports. Quarterly monitoring meetings will take place to discuss these and other

points of issue. As well as satisfying the KPIs, the contractor will ensure that they capture outcome information such as increased use of the bike for transport purposes as a result of the training and increased road-confidence

<b>Audit trail</b>				
<b>Consultation</b>				
<b>Name/Position</b>	<b>Lambeth cluster/division or partner</b>	<b>Date Sent</b>	<b>Date Received</b>	<b>Comments in para:</b>
Sue Foster, Strategic Director	Strategic Director, Neighbourhoods and Growth	5.8.16	5.8.16	
Adrian Smith		29/07/16	01/08/16	various
Simon Philips	Transport Manager	03.8.16	04.8.16	
Andrew Ramsden Finance	Business Partnering	29/07/16	03/08/16	3
David Thomas Legal Services	Corporate Resources: Corporate Affairs	29/07/16	01/08/16	4
Maria Burton Democratic Services	Corporate Affairs, Corporate Resources	29.07.16	01.08.16	4.5
Councillor Jennifer Brathwaite	Cabinet Member: Environment and Transport		05.8.16	
<b>Internal Officer Board</b>	<b>Date of meeting</b>			
Procurement Board		11/08/16		
<b>External</b>				

<b>Report history</b>	
<b>Original discussion with Cabinet Member</b>	12 July 2016
<b>Report deadline</b>	n/a
<b>Date final report sent</b>	n/a
<b>Report no.</b>	n/a
<b>Part II Exempt from Disclosure/confidential accompanying report?</b>	Yes
<b>Key decision report</b>	Yes
<b>Date first appeared on forward plan</b>	15 July 2016
<b>Key decision reasons</b>	2. Expenditure, income or savings in excess of £500,000
<b>Background information</b>	Invitation to Tender
<b>Appendices</b>	None.

**APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION**

**I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board and taken account of their advice and comments in completing the report for approval:**

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

Suzy Harrison, Sustainable Travel Co-ordinator,

**I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:**

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Post** Councillor Jennifer Brathwaite, Cabinet Member for Environment and Transport

**Any declarations of interest (or exemptions granted):**

**Issue**

**Interest declared**