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ITEM: 1  
SUBJECT: CITY HEART CABS PROGRAM  
AUTHOR: COMMUNITY DEVELOPMENT OFFICER  
DATE: 5 NOVEMBER 2019

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### **EXECUTIVE SUMMARY**

This is a report concerning the City Heart Cabs Program (the Program). The Program was established by council in 2010 (Attachment 1) in response to a council 2010-2011 budget speech announcement to trial a subsidised transport service in Ipswich for eligible community members in receipt of an Australian Government Pension. The Program was developed to support a sector of the community that may experience social isolation or limited access to transport.

The Program operates as a partnership between council and 13Cabs. Individuals wishing to utilise the service contact 13Cabs and are able to travel between their residence and local shopping centres at a nominal fixed fare of \$2.00 per person per one-way trip. The difference between the cost of the service and the fixed price is charged to council and the relevant shopping centre precinct. To be eligible for the Program participants must reside in one of the approved designated suburbs and be an Australian Government Pension card holder (Disability Support, Aged or Carers Allowance).

In 2018, a committee report (Attachment 6) was presented to council recommending a significant review of the Program to explore its purpose, benchmark it against other Local Government Areas, consider equity of access and to increase efficiency.

The purpose of this report is to detail the review of the Program that has been undertaken, outline the current concerns and provide recommendations for the long-term sustainability of the Program.

This report recommends the repeal of previous council decisions relating to the establishment and structure of the Program.

It further recommends that a clear operating model based on community needs and council objectives with specifications for the potential tender of services for the Program be developed and presented to a future meeting of the Communities Committee.

This report also recommends that following the repeal of previous council decisions the Program is endorsed to continue under current arrangements as an interim measure pending the replacement of those arrangements following an open and transparent tender process.

## **RECOMMENDATIONS**

**That the Interim Administrator of Ipswich City Council resolve:**

**Amended Community Committee No. 2019(12) of 3 December 2019**

- A. That the previous decision of Council, as per Item No. 1 of the Policy and Administration Board No. 2010(09) of 23 November 2010 – City Management and Finance Committee No. 2010(12) of 30 November 2010 and adopted at the Council Ordinary meeting of 7 December 2010, be repealed (Attachment 1).**
- B. That the previous decision of Council, as per Item No. 9 of the Economic Development and Sustainability Committee No. 2011(05) of 10 May 2011 and adopted at the Council Ordinary meeting of 17 May 2011, be repealed (Attachment 2).**
- C. That the previous decision of Council, as per Item No. 3 of the Youth and Seniors Committee No. 2013(08) of 12 August 2013 and adopted at the Council Ordinary Meeting of 19 August 2013, be repealed (Attachment 3).**
- D. That the previous decision of Council, as per Item No. 2 of the Youth and Seniors Committee No. 2014(06) of 19 June 2014 and adopted at the Council Ordinary Meeting of 26 June 2014, be repealed (Attachment 4).**
- E. That the previous decision of Council, as per Item No. 3 of the Youth and Seniors Committee No. 2015(12) of 23 November 2015 and adopted at the Council Ordinary Meeting of 1 December 2015, be repealed (Attachment 5).**
- F. That a clear operating model based on community needs and council objectives with specifications for the potential tender of services for the Program be developed and presented to a future meeting of the Communities Committee.**
- G. That following the repeal of previous council decisions, the Program be endorsed to continue under current arrangements as an interim measure pending the replacement of those arrangements following an open and transparent tender process.**
- H. That a further report outlining legal advice on the risks associated with operating outside of a contract be submitted to the Council Ordinary meeting scheduled for 28 January 2019.**

## **RELATED PARTIES**

Related parties associated with this report are as follows:

- 13Cabs and associated individual franchise owners as the suppliers of transport for the Program
- Ipswich City Square as a local shopping precinct which participates in the Program

- Riverlink Shopping Centre as a local shopping precinct which participates in the Program
- Booval Fair as a local shopping precinct which participates in the Program
- Brassall Shopping Centre as a local shopping precinct which participates in the Program
- Orion Town Centre as a local shopping precinct which participates in the Program

There are no conflicts of interest identified from this report.

### **ADVANCE IPSWICH THEME**

Caring for the community and Listening, Leading and Financial Management.

### **PURPOSE OF REPORT/BACKGROUND**

(Attachment 1) is jointly funded by Ipswich City Council and local shopping centres. It is designed around the premise that a member of the community who is in possession of an Age Pension, Disability Support Pension or Carer Allowance can catch a taxi cab for \$2.00 per person per one-way trip. Depending on residential address, eligible residents can travel to the following centres:

- Riverlink Shopping Centre
- Ipswich City Square
- Brassall Shopping Centre
- Booval Fair
- Orion Town Centre

The current provider of the program is 13Cabs (formerly Yellow Cabs) (which has been the provider since the 2010 council decision). 13Cabs invoices Council monthly and provides the receipts for the journeys.

### **Program Concerns**

1. Contractual agreement, probity and procurement

There is currently no service contract or agreement between Council and 13Cabs. There was an original agreement in place for the period 23 December 2010 to 30 June 2011 and then extended until 30 June 2012 (Confidential Attachment 7).

The original agreement was not awarded as a result of a tender of Expression of Interest process, nor has this agreement ever been competitively tendered or tested in the marketplace since this time, despite the value of the agreement being \$15,000 in value and therefore triggering particular council procurement processes.

There are also some probity concerns about the Program. That is, while council receives monthly invoices and 13Cabs provides the receipts for the journeys, no documentation is received by council confirming the eligibility of users of the Program. In the absence of a contractual agreement requiring the transport provider to substantiate the eligibility of users of the Program (i.e. sight a Pension card), council is not able to confirm that users of

the Program meet the eligibility criteria. Furthermore, from a community development perspective, there is currently no ongoing monitoring and evaluation of the Program to measure and understand the social impact and efficacy of the Program.

## 2. Access and equity

There current participating shopping centres are not necessarily the only legitimate participants of the Program. Other shopping centres serving similar population catchments could contribute to the program, however there is no apparent criteria or participation pathway.

There are also discrepancies between the shopping centres which utilise and benefit from the Program. That is, some of the participating shopping centres pay the difference between the cost of the service and the fixed price while others do not pay to participate in the program and instead council pays the difference between the cost of the service and the fixed price.

### **Consistency with other Local Councils**

Benchmarking was undertaken against neighbouring councils. Five councils were contacted and asked feedback on their respective programs, specifically each was asked:

- How is your Program run, is it administered by your council?
- Does your council pay for the Program or the individual shopping centres pay?
- How do you check participant's eligibility?
- How is this process monitored?
- How did you procure a company to provide the transport?
- Was it a tender process or an EOI?
- How often do you engage a provider?
- What was your criteria for choosing the successful bidder?
- What is the value of the tender?
- What is your internal budget for the Program?
- Have you created policies or procedures around the Program that you can share?
- Do you have a copy of the contract that you are able to share?
- Can you share the clauses in the contract or the terms of the contract?

In short, other local councils do offer an affordable cab-style service very similar to the Program. While the delivery of their programs are similar to that of our own, the governance and processes associated with these programs differs and the funding allocated to these programs varies widely, from between \$10,000 and \$200,000.

Each of these five other Council programs are summarised below.

### **Logan City Council - Council Cabs Program**

Logan City Council offers a Council Cabs Program. The Council Cab is contracted to a not-for-profit locally based organisation. They have been appointed for 12 months following a Request for Quote process. The service currently provides for senior residents and their

carer; with a view to expanding it to include residents with disabilities. The majority of the administration is undertaken by the Contractor; this includes satisfaction surveying and a check of eligibility during booking and again as passengers on-board the vehicle. Monthly reporting is lodged to Council by the Contractor. Logan City Council appoints the management of this project to a Transport Planner and the service is supported also by the Marketing Team for the design of promotional collateral.

### **Sunshine Coast Council - Council Link Program**

Sunshine Coast Council offers a Council Link Program. The Council Link Program is funded internally by Council's Transport Levy and has positively evolved since the recent introduction of a local community transport provider in lieu of a commercial cab company. This supplier was appointed for 2 years following a tender process. The provider handles administration of the Program and invoices and reports back to Council on a monthly basis outlining details of how clients have met eligibility.

### **Brisbane City Council - Council Cabs Program**

Brisbane City Council offers a Council Cabs Program. The Council Cabs Program is a subsidised transport program managed by a commercial taxi company who take care of all the administration of the program and provides invoices to Council monthly. The contractor checks clients' eligibility over the phone during booking and no proof is required. Council funds the Program via an internal budget and the supplier is contracted for a period of 5 years.

### **City of Gold Coast - Council Cab Service**

City of Gold Coast offers a Council Cab Service. The Council Cab Service is managed under a three year contract (with extension options) with a commercial taxi company. The provider was selected through an open tender process where local services were invited to apply. The contract value is based on the trip rate plus a monthly administrative fee. The Council budget funds the Council Cab Service. Residents must make application in writing providing proof of address and age for eligibility assessment before travelling.

### **Toowoomba Regional Council - Council Cab Service**

Toowoomba Regional Council offers a Council Cab Service. The Council Cab Service is administered by the Community Development Team and funded by an internal budget allocation. There is only one commercial transport provider in the region, therefore, this company currently holds the tender for the service. The supplier checks passengers' eligibility and these details along with trip data is reported regularly back to the Council.

### **PROPOSED NEXT STEPS**

Offering a subsidised transport program is of value to our community. It can help lower the risk of social isolation by encouraging people to leave the house safely and at low cost. The program offers the opportunity for social interactions, provides access to health services,

retail options, employment, volunteering and importantly community participation. The City Heart Cabs Program provides the opportunity for vulnerable members of the community access to a range of local supports, leisure and recreation programs while continuing to live independently.

There are unlikely to be alternatives which have the same low cost and the same open eligibility to service users. While community transport options in the form of shuttle buses for shopping and social outings are occasionally provided through Disability or Aged Service providers, access to these services is by way of strict eligibility criteria and users will either have to co-pay or leverage NDIS, MyAgedCare or similar funding packages to travel. Additionally, there are sometimes options for taxi cab reimbursement or cheap transport options to attend health appointments which are often provided as per a doctor's or hospital referral. However, few services have the same affordability as City Heart Cabs Program. Community transport services may also be available to service users in certain non-profit community or aged care services or in nursing homes, but it would be restricted to members or clients of those services who are verified as eligible to receive these services and for whom the organisations receive funding to provide the services.

Navigating and accessing the City Heart Cabs Program is quite straight forward, convenient and affordable. Users of the Program may experience some distress if having to find an alternative transport option and it may not be possible for all current users of the Program to find suitable alternative transport options.

Accordingly, it is recommended that the City Heart Cabs Program continue to operate as a part of council's Community Development portfolio. However, in light of the concerns in relation to contractual agreements, probity, compliance with procurement requirements and access and equity, it is recommended that the following steps be taken:

1. That a clear operating model based on community needs and council objectives with specifications for the potential tender of services for the Program be developed and presented to a future meeting of Communities Committee.
2. That following the specifications endorsement of council, a tender for the revised Program be put to market before 01 July 2020.
3. That the ongoing management of the Program be administered by the Community Development section of council.

#### **LEGAL/POLICY BASIS**

This report and its recommendations are consistent with the following legislative provisions:  
*Local Government Act 2009*

#### **RISK MANAGEMENT IMPLICATIONS**

The Program risks have been summarised as part of the main body of this report. If council was to continue with the Program and not follow the recommendations of this report, those probity, compliance, procurement and equity risks would be unacceptable for council.

There are risks involved in approving the recommendations of this report. Primarily, that risk relates to the continuation under current arrangements as an interim measure pending the

replacement of those arrangements following an open and transparent tender process. Council must consider that risk against the mitigating action of ceasing the program immediately until the new operating model and tender process can be implemented.

There is a potential risk of abuse of ratepayer funds and an associated reputational risk for council from the continuation of the current Program where there is no governance process to verify the eligibility of users. Whilst this report recommends to continue under current arrangements as an interim measure, mitigation of this risk should be exercised by officers working on improved verification of users with the Program partners in the interim.

If the recommendations of this report are adopted, there is a risk that costs associated with the improved and potentially expanded Program are substantial. This risk will be mitigated by the development of a complete operating model and more detailed specifications for Program delivery. If costs did increase substantially the Program would need to be reconsidered by council.

### **FINANCIAL/RESOURCE IMPLICATIONS**

The Program continues to be budgeted as part of Community Development operations at an annual cost of \$15,000. Assuming the recommendations of this report are adopted, council may need to consider the possible increase of the service contract amount.

### **COMMUNITY AND OTHER CONSULTATION**

A benchmarking exercise was undertaken against neighbouring councils. Five councils were contacted and consulted in relation to their respective programs:

- Logan City Council
- Sunshine Coast Council
- Brisbane City Council
- City of Gold Coast
- Toowoomba Regional Council

### **CONCLUSION**

The purpose of this report is to detail the review of the City Heart Cabs Program, outline the current concerns and provide recommendations for its long term sustainability.

This report recommends the repeal of previous council decisions relating to the establishment and structure of the Program in order to address probity, compliance, procurement and equity risks.

It further recommends that a clear operating model based on community needs and council objectives with specifications for the potential tender of services for the Program be developed and presented to a future meeting of Communities Committee.

This report also recommends that the Program is endorsed to continue under current arrangements as an interim measure pending the replacement of those arrangements following an open and transparent tender process.

Following the successful implementation of those recommendations, the City Hearts Cabs Program would continue to be administered by the Community Development section of council.

**ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS**

1.	Committee report of 12 October 2010 - Council resolution of 7 Dec 2010
2.	Committee report of 21 April 2011- Council resolution of 17 May 2011
3.	Committee report of 23 July 2013 - Council resolution of 19 August 2013
4.	Committee report of 11 June 2014 - Council resolution of 26 June 2014
5.	Committee report of 5 November 2015 - Council resolution of 1 December 2015
6.	Committee report of 13 November 2018 - Council resolution of 4 December 2018
7.	CONFIDENTIAL City Heart Cabs Contract No. 10-11-176

Karri Surtees

**COMMUNITY DEVELOPMENT OFFICER**

I concur with the recommendations contained in this report.

Tanya Appleton

**ACTING COMMUNITY DEVELOPMENT COORDINATOR**

I concur with the recommendations contained in this report.

Ben Pole

**GENERAL MANAGER - COMMUNITY, CULTURAL AND ECONOMIC DEVELOPMENT**

***“Together, we proudly enhance the quality of life for our community”***