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CORRESPONDENCE FOLLOWING THE COMMITTEE MEETING

Committee ENVIRONMENTAL SCRUTINY COMMITTEE

Date and Time of Meeting TUESDAY, 10 MARCH 2015, 5.10 PM

Please find below correspondence send by the Committee Chair following the meeting, together with any responses received.

For any further details, please contact scrutinyviewpoints@cardiff.gov.uk

8 **Correspondence Following the Committee Meeting** (Pages 1 - 16)

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Ref: RDB/PM/BD/15.03.16

11 April 2016

Councillor Bob Derbyshire,
Cabinet Member for the Environment,
County Hall,
Atlantic Wharf,
Cardiff,
CF10 4UW.



Dear Councillor Derbyshire,

Environmental Scrutiny Committee – 15 March 2016

On behalf of the Environmental and Policy Review & Performance Scrutiny Committees' I would like to thank the officers for attending the Committee meeting on Tuesday 15 March 2016. As you are aware the meeting considered items titled 'Infrastructure Services – Full Business Case Strategy Briefing' and 'City Operations Directorate – Performance Report Quarter 3 – 2015/16'. The comments and observations made by Members following this item are set out in this letter.

Infrastructure Services – Full Business Case Strategy Briefing

- **Collaboration** - The documents provided for the scrutiny of the 'Infrastructure Services – Full Business Case Strategy' made several references to collaboration. Officers provided a brief explanation on what this could mean and confirmed that very high level discussions had taken place with senior officers from neighbouring authorities. I would be grateful if you could detail the collaboration opportunities which have been identified during the project and explain any actions which have taken place to develop these. Further to this the Committee would like to understand the impact that Welsh local authority reorganisation might have on both of the potential new business models; for example, the consequences of a potential merger with the Vale of Glamorgan after the creation on an wholly owned arms length company.

- **ICT** - During the meeting much emphasis was placed on the importance of introducing modern and relevant ICT into many of the services within the scope of the Infrastructure Services – Full Business Case. In particular the urgency of implementation was stressed as it appears that during the period of the project very little progress has been achieved. Discussion during the way forward concluded that purchasing successfully established off the shelf packages was a far better approach than developing our own in house systems. To add support to this I would like to re echo Recommendation 2 of the task group report titled ‘Infrastructure Business Model & Alternative Delivery Options’ which along with the Cabinet response is attached to this report as **Appendix 1**. The Committee still supports the message of Recommendation 2.
- **Central Transport Services ICT** - When discussing implementation of ICT into the services within the scope of the Infrastructure Services Full Business Case reference was made to the difficulties experienced by Central Transport Services. Despite a two to three year exercise to develop an in house solution it now appears that the Council is in the final stages of commissioning an industry recognised fleet management software package. The Assistant Director for City Operations explained that a new fleet management package would be approved within weeks; therefore, I would be grateful if you could:

 - Provide the Committee with a timeline for completing the procurement exercise for the new fleet management system along with a forecast for full implementation;
 - An explanation of why after such a long period of development the Council has decided to abandon the creation of an in house fleet management system given the poor control of accounts and detrimental impacts this has had on other department budgets for many years.
- **Governance** - Members note the scrutiny undertaken by the Policy Review & Performance Scrutiny Committee in December 2015 on the ‘Alternative Delivery Model – Infrastructure Services Building a successful

local authority trading company – Governance Options’. They are keen to ensure that governance arrangements are presented alongside the preferred option when it is presented for pre decision scrutiny in May. In addition to this they would like to stress the importance of building in the need for accountability and business control into future governance arrangements, i.e. individuals are made accountable for service delivery and that key service goals and controls are identified and built into the new contract / service specification.

- **Commercial Internal Directorate** - During the meeting the Trade Union representatives for the GMB, Unite and UCATT put forward the proposal of a ‘Commercial Internal Directorate’; this would remain within the Council and contain a range of services which would be managed with the aim of generating income. At the meeting they asked the Committee to consider the ‘Commercial Internal Directorate’ proposals, therefore, I have written to them individually asking that these are made available to Members in advance of scrutiny of the Infrastructure Services – Full Business Case on the 12th May 2016. In addition to this I have asked that they clarify any assumptions made as a part of the Infrastructure Services – Full Business Case that they do not agree with; again the same timescale applies. Members feel that it is important to consider all suggestions and view points before the Council takes such a significant decision. I will make sure that you are provided with copies of any documentation submitted by the Trade Unions on the ‘Commercial Internal Directorate’ in advance of the meeting.
- **Income** – It was noted during the meeting that a Teckal based wholly owned arms length company would only be able to generate 20% of its overall turnover from external sources and that internal services currently within the scope of the Infrastructure Services – Full Business Case are currently generating 13% of turnover from external sources. Members felt that the 7% scope for additional externally based turnover was limited and were keen to understand actual value that could be achieved by delivering

the additional 7%. To assist in preparation for the joint scrutiny meeting on the 12 May it help if you could:

- Clarify the actual value that could be achieved by delivering the additional 7% of turnover in a Teckal based wholly owned arms length company;
 - Clarify if it is legally possible to achieve an additional 7% in external turnover through the modified in house option;
 - Clarify if there are any mechanisms which can be used to legally generate more than 20% in external turnover through a modified in house company;
 - Provide Members with any business plans which have been created during project to deliver new business through both the wholly owned arms length company and modified in house options. Sight of any detailed business proposals in advance of the 12 May scrutiny would provide a clearer opportunity of the possibilities surrounding both options.
- **Body Cameras** - Members note that a request was made by Waste Enforcement Officers for body cameras – these it was felt would provide additional protection while carrying out what can sometimes be confrontational work. A trade union representative explained that this request had been rejected; therefore, I would be grateful if you could confirm why this request was turned down.

City Operations Directorate – Performance Report Qtr 3 – 2015/16

- Members note that WMT/009b (the percentage of municipal waste collected by local authorities and prepared for reuse and/or recycled, including source segregated biowastes that are composted or treated biologically in another way) is still rated as ‘Amber’ despite officers being confident of reaching the 58% statutory target for 2015/16. They accept that this important performance indicator has to remain an ‘Amber’ risk until the target is met and acknowledge the delay caused by verification of the actual result. They hope that the officers confident outlook is well

placed and will continue to closely monitor the outcome of this statutory performance indicator.

- The overall Council total (Head Count) of staff eligible for PPDR completion reduced from 6,230 at the end of Quarter 2 to 5,792 at the end of Quarter 3; this was a reduction of 438 staff eligible for a PPDR. During this period City Operations reduced from 1,387 at the end of Quarter 2 to 1,328 at the end of Quarter 3; a reduction of 59 staff eligible for a PPDR. I would be grateful if you could clarify the reason for this reduction in staff eligible for PPDR.
- Some of the Members were concerned about litter levels in Cardiff. I would be grateful if you could provide the Committee with LEAMS results for all of the Cardiff wards for 2014/15 and 2015/16.
- Members note that when the City Operations Quarter 3 Performance report mentions Household Waste Recycling Centres it states that:

'Phase 2; Charging for non-residents commenced on the 2nd Jan 2016, potential North Cardiff sites have been identified, the delay in the decision due the Call-in has resulted in the project running approx. 6 months behind the original schedule, the project is running on track for the revised schedule'.

I would be grateful if you could explain how an item which was initially received at Cabinet on the 16 July; Called in on the 20 July; subject to the actual Call-in on the 26 August and reconsidered by Cabinet with a recommendation to take the project forward on the 1 October could create a six month delay. By my calculation this period covers 76 days which is significantly shorter than the six months (approximately 180 days) mentioned and cannot be ascribed wholly to a Call-in in my view.

I would be grateful if you would consider the above comments and provide a response to the requests made in this letter.

Regards,

A handwritten signature in black ink that reads "P. D. Mitchell". The signature is written in a cursive style with a large, stylized 'M'.

Councillor Paul Mitchell

Chairperson Environmental Scrutiny Committee

Cc to:

Councillor Bob Derbyshire, Cabinet Member for the Environment

Councillor Nigel Howells, Chair of the Policy Review & Performance Scrutiny Committee

Andrew Gregory, Director of City Operations

Tara King, Assistant Director of City Operations

David Lowe, Waste Operations Manager

Paul Keeping, Operational Manager, Scrutiny Services

David Marr, Interim Monitoring Officer

Angie Shiels, GMB

Robert Collins, UCATT

Mohamed Hassan, UNISON

Ian Titherington, UNISON

Harris Karim, UNITE

Jim Pates, UNITE

Thomas Watkins, UNITE

Members of the Environmental Scrutiny Committee

Members of the Policy Review & Performance Scrutiny Committee

Ref: RDB/PM/RP/15.03.16

11 April 2016

Councillor Ramesh Patel,
Cabinet Member for Transport, Planning & Sustainability,
County Hall,
Atlantic Wharf,
Cardiff,
CF10 4UW.



Dear Councillor Patel,

Environmental Scrutiny Committee – 15 March 2016

On behalf of the Environmental Scrutiny Committee I would like to thank the officers for attending the Committee meeting on Tuesday 15 March 2016. As you are aware the meeting considered an item titled 'City Operations – Quarter 3 Performance'. The comments and observations made by Members following this item are set out in this letter.

City Operations – Quarter 3 Performance

- Members note the red and amber R.A.G. status of PLA/004 (a) (% of major planning applications determined during the year within 13 weeks) and PLA/004 (c) (% of householder planning applications determined during the year within 8 weeks) respectively. They acknowledge the reasons provided for the poor performance of these indicators and (as suggested) hope to see improvements in Quarter 4 2015/16 and Quarter 1 2016/17.
- At the meeting a Member asked for details of the fines issued for unauthorised use of scaffolding, skips and portaloos. In addition to this fine information was requested on the dumping of waste on the public highway. I would be grateful if you could provide this information for 2014/15 and 2015/16.

- Members note that the Council is looking to implement a new 'Highways Asset Investment Strategy' in 2016/17. They look forward to scrutinising details of this proposal before it is received at Cabinet.
- The overall Council total (Head Count) of staff eligible for PPDR completion reduced from 6,230 at the end of Quarter 2 to 5,792 at the end of Quarter 3; this was a reduction of 438 staff eligible for a PPDR. During this period City Operations reduced from 1,387 at the end of Quarter 2 to 1,328 at the end of Quarter 3; a reduction of 59 staff eligible for a PPDR. I would be grateful if you could clarify the reason for this reduction in staff eligible for PPDR.

I would be grateful if you would consider the above comments and provide a response to the requests made in this letter.

Regards,



Councillor Paul Mitchell
Chairperson Environmental Scrutiny Committee

Cc to:

Andrew Gregory, Director for City Operations
Tara King, Assistant Director for City Operations
Matthew Wakelam – Operational Manager, Infrastructure & Operations
James Clemence – Head of Planning
Simon Gilbert – Operational Manager, Development Management (Strategic & Place Making)
Paul Keeping, Operational Manager, Scrutiny Services
Joanne Watkins, Cabinet Office Manager
Members of the Environmental Scrutiny Committee
Councillor Michael Michael, Chair of Cardiff's Planning Committee



Fy Nghyf / My Ref : CM34320
Dyddiad / Date: 6 May 2016

Councillor P Mitchell
Cardiff Council
County Hall
Atlantic Wharf
Cardiff
CF10 4UW

Annwyl / Dear Councillor Mitchell

Environmental Scrutiny Committee Meeting 15th March 2016

Thank you for your letter of 11th April regarding matters discussed at the Environmental Scrutiny Meeting on 15th March 2016.

Having considered the points raised in your letter, I respond as follows:

Infrastructure Services – Full Business Case Strategy Briefing

- Collaboration – the ‘overarching’ strategy shared with Scrutiny set, out at a high level, the collaboration opportunities initially identified with respect to the proposed 6 service clusters. For ease of reference, the summary table is included below:

Service Cluster	Key Collaboration Opportunities
<p>Recycling and Waste Management Services</p>	<p>Prosiect Gwyrdd has been achieved through a procured contract basis. The Council could either trade and offer services to other Councils or collaborate in a true partnership to achieve efficiencies through the integration of management and back office services:</p> <ul style="list-style-type: none"> • Commercial Waste • Strategy function • Consultancy around domestic collection round modelling • Boundary integration • Fleet utilisation • Increase and secure longer term contracts with neighbours on recycling processing, transfer and treatment;
<p>Neighbourhood Services</p>	<p>The main opportunities are to achieve efficiencies through the integration of management and back office services.</p> <p>Further opportunities include nursery sales, extending the integrated Enforcement function,</p>



	and fleet utilisation, Tree management, bordering grounds.
Total Facilities Management	<p>Building Services: The Council has limited internal capacity. Collaboration would be a low priority in the short to medium term. The focus would be on building internal capacity.</p> <p>Security and Cleaning: The Council could trade or collaborate with neighbouring authorities and increase commercial opportunities. There are opportunities to achieve efficiencies through the integration of management and back office services.</p> <p>Total Facilities Management: If the Council moved to a fully integrated model and could combine the marketing strategy of the Alarm Response Centre (ARC), where the Council could add the offer the ARC platform and 24/7 control with other Councils alongside the other FM services.</p> <p>Pest Control: The Council has one of the biggest services regionally. Other Councils are either ceasing services or offering minimum services. The Council could trade and/or collaborate in the delivery of Pest Control services. This would increase direct income and achieve efficiencies through the integration of management, marketing and back office services.</p>
Fleet Services	<p>Fleet management services could be pooled and overall costs streamlined.</p> <p>In terms of Fleet maintenance then there are opportunities to achieve efficiencies through the integration of management and back office services as well as sharing technology costs.</p> <p>Geography is also an opportunity where multiple depot facilities are nearby. Engaging with the wider public sector would enable the workshops to operate in the evenings and thereby reduce vehicle off road time and spot hire costs internally while increasing potential to insource external maintenance contracts.</p>
Design Consultancy	The majority of regional Councils have externalised their Design function due to a lack of internal capacity, and key skills, as well as

	recruitment planning issues. There is therefore an opportunity to develop a combined traded service that can be offered to other authorities.
Highways	<p>Neighbouring Councils are experiencing capacity and resilience issues in delivering highway services. All Councils are increasing third party supply chains to compensate.</p> <p>Collaboration would support the achievement of efficiencies through the integration of management and back office services, sharing assets/fleet/plant in some instances. It would also provide greater buying power and improved management of the existing supplier market with the potential to create economies of scale to bring more work back internally and reduce supplier costs.</p>

Further discussions need to be held with adjacent authorities regarding these opportunities and it is intended that Cabinet be asked to approve the continuation of this dialogue when it considers the Full Business Case report in May.

It is believed that Local Government Reorganisation (LGR) would not have a detrimental impact upon the operational of either of the two models being considered. Both models would be sufficiently flexible and adaptable to accommodate any future LGR, for example, a potential merger with the Vale of Glamorgan.

ICT – a review of the current systems currently used by the services in scope has been undertaken. Key points identified from this review include the following:

- There is little consistency regarding how similar business processes are implemented across the different services;
- Most services deal with customers and offer services to the customers or perform tasks as a result of the customer contact. Customer records are kept on a variety of systems, thus duplicating data and creating jobs on a number of disparate systems;

The front line services in scope of the project should standardise their processes and systems used, and as part of this, they should also look to improve the customer experience by introducing more digital services. This would enable the service areas to:

- Achieve savings by unifying processes to achieve efficiency savings through:
- Utilising the workforce and resources more effectively;
- Reducing Back Office effort by automating processes where possible;
- Reducing end to end processing times;
- Reducing failure demand;
- Improving productivity, and

- Eliminate duplication of data
- Provide a more integrated process than present
- Remove manual effort from the processing of information and data;
- Improve customer journey experience and expectation, and
- Improve performance management & management information to make better informed decisions.

The same architectural improvements will be recommended for both models being considered.

In terms of new technology, it is confirmed that off the shelf packages be used as far as it is possible to do so.

The implementation of new enterprise architecture has been recognised as a key enabler for the proposed service strategies and hence Cabinet will be asked to approve the proposals when considering the Full Business Case report in May. Implementation programme will commence as soon as this authorisation is received.

Central Transport Services FMIT – The reason for the apparent long period of development in respect to the provision of an FMIT system relates to the shortfalls in the off the shelf FMIT systems identified when the initial review was undertaken some years ago, particularly in respect of their integration capabilities with SAP. For this reason, the Council has tried to use SAP as a platform for fleet management but it has been difficult to configure the platform to meet the business needs and provide the necessary management information. During this time, the software companies have developed their systems which mean that integration with SAP is now possible and detailed consideration is currently being given to how this integration will be achieved. Once this work is completed, assuming the output is positive, an off the shelf system will be procured and installed. It is intended that a full functional FMIT system be operation by the start of the 2017/18.

- Governance – it is confirmed that the proposed governance arrangements for the proposed way forward will be set out in the Full Business Case and associated Cabinet Report.
- Commercial Internal Directorate – I note that you have asked the Trade Unions to advise their thoughts on a 'Commercial Internal Directorate' and any comments regarding assumptions made in respect of the Full Business Case. Myself and Project team representatives have had frequent dialogue with the Trade Unions throughout the Full Business Case work and I support the engagement approach being taken by Scrutiny as described in your letter.
- Income – for a Wholly Owned Company to comply with the Teckal exemption (now incorporated into UK law through Regulation 12 of the Public Contracts Regulations 2015 (SI 2015 No 102), in addition to other requirements, the trading activity of the Company must not exceed 20% of the turnover of the company, that is, 80% or more of the activity of the company must be for the Council. In 2015/16, approximately 8% of the cumulative turnover for the services in scope was derived from external trading. Hence, assuming no change in the 'passported' work, the headroom for growth is 12%. This equates to approximately £8.8m in respect of the 2015/16 cumulative turnover of c£73m.

In order to compare trading opportunities between the modified in-house and Wholly Owned Company models, it is important to consider the legal position. In summary, the council can deliver/sell services directly to other local authorities and certain public bodies on whatever terms it wishes and can make a profit if it chooses to do so – there is no need to set up a company in order to trade in this market. The Council can also provide services (provided they are not under a duty to do so) directly to anyone else including the private sector/individuals on a charging basis (i.e. covering its costs) but cannot do so commercially/make a profit. If it wishes to do this, it has to set up a company. The Council can collaborate with any other local authority to deliver/sell services but the question which needs to be answered in each case is – to whom are the services being sold/delivered? This governs whether the Council would need to set up a company to trade the services commercially.

Proposals for commercial growth will be set out in the Full Business Case shared with Scrutiny ahead of the meeting scheduled for 12th May. Detailed business plans for each opportunity have not yet been completed but these will be immediately progressed as required following Cabinets consideration of the Full Business Case at its meeting in May.

- **Body Camera's** – Following Cabinet approval of the Corporate Body Worn Cameras Policy in January 2016, the Council's Improvement & Information Team put together an action plan to enable the successful implementation of the devices within the Civil Parking Enforcement Team for a trial period of 3 months duration. Once the trial deployment of the cameras has been reviewed by both the Service and the Improvement and Information Team, any potential further deployments will be assessed in line with the Policy. All deployments are approved by the Senior Information Risk Owner (SIRO), who has delegated authority under Scheme of Delegation to manage and maintain compliance with the Data Protection Act 1998 together with the Council's Data Protection policies and Privacy Impact Assessment requirements under the CCTV Code of Practice. It is currently envisaged that the trial will commence in May allowing evaluation at the end of the summer. The Waste Enforcement Team is making the necessary arrangements to commence using the camera's as soon as possible after the trial has been completed on the assumption that it will have been successful.

City Operations Directorate – Performance Report Qtr 3 – 2015/16

- **WMT/009a**- We welcome your continued focus on recycling performance. This is a priority for the service area and Council. We closely track the recycling tonnages, but will also show caution as there are many external factors, such as global markets and weather, that can influence our performance.
- **PPDR** – the reasons for the difference is because a number of staff left the Council - 12.5 planned FTE cuts within the 2015/16 budget plus adhoc leavers and those who change department accounts for this difference.
- **Litter Levels** – the LEAMS results for 2014/15 and 2015/16 are attached as requested. Also attached is a copy of Keep Wales Tidy's (KWT) report for the 2014/15 period. You will note from this that Cardiff's LEAMS values are slightly higher than last years (CI was 66 and % streets of Grade B and above was 93.7%). The increase on last year's performance is re-assuring, especially as the Council rolled out the new Neighbourhood Services approach city wide in February.

- **HWRC** -As you are aware the initial Cabinet decision was tabled for 16th July and subject to approval the work was due to commence quickly during the summer weather. Following the call in process the final decision had to be referred to Cabinet for a second time to reconsider the recommendations made through the call in. This meant that the final decision was not taken until 2nd October, some three months after the planned start date. Following this delayed decision the availability of project design resources needed to be realigned to the new timescale, and so did the winter weather period. In addition a solution needs to be secured for the reuse partner prior to the Wedal site closing. All of these factors have meant that the overall project timeline has moved.

I trust this response satisfactorily addresses the queries raised in your letter.

Yn gwyir
Yours sincerely



Councillor / Y Cynghorydd Bob Derbyshire
Cabinet Member for Environment
Aelod Cabinet Dros Yr Amgylchedd

Encs

- LEAMS results for 2014/15 and 2015/16
- KWT report 2014/15



Fy Nghyf / My Ref: CM34535

Dyddiad / Date: 3rd June 2016

Councillor Paul Mitchell
Cardiff Council
County Hall
Atlantic Wharf
Butetown
Cardiff
CF10 4UW

Annwyl/Dear Councillor Mitchell,

Environmental Scrutiny Committee - 15th March 2016

Thank you for your letter of 11th April regarding matters discussed at the Environmental Scrutiny Meeting held on 15th March 2016. I apologise for the delay in responding.

Having considered the points raised in your letter, I would advise as follows:

Fines

You requested detail of the fines issued for unauthorised use of scaffolding, skips and portaloos which I confirm would be zero as we are in the process of implementing Highway enforcement fines of £100 following Cabinet approval earlier this year.

Please see below, as requested, information on fines relevant to the dumping of waste on the public highway for 2014/15 and 2015/16:

2014/2015

Dog Fouling - 27
Litter Commercial Duty of Care - 19
Litter Domestic Duty of Care- 108

ATEBWCH I / PLEASE REPLY TO :

Swyddfa Cymorth Y Cabinet / Cabinet Support Office, Ystafell / Room 518, Neuadd y Sir / County Hall
Glanfa'r Iwerydd / Atlantic Wharf , Caerdydd/Cardiff, CF10 4UW
Ffon / Tel: (029) 2087 2598

Mae'r Cyngor yn croesawu gohebiaeth yn Gymraeg a Saesneg a byddwn yn sicrhau ein bod yn cyfathrebu â chi yn eich dewis iaith boed yn Gymraeg, yn Saesneg neu'n ddwyieithog dim ond i chi roi gwybod i ni pa un sydd well gennych. Ni fydd gohebu yn Gymraeg yn creu unrhyw oedi.

The Council welcomes correspondence in English and Welsh and we will ensure that we communicate with you in the language of your choice, whether that's English, Welsh or bilingual as long as you let us know which you prefer. Corresponding in Welsh will not lead to any delay.



Litter from vehicle - 3
Litter General - 5
Litter Smoking from car - 92
Litter-Smoking related litter- 15
Section 46 - 38
Section 47 - 39
Waste Transfer Note requests - 88

2015/2016

Dog Fouling - 51
Litter Commercial Duty of Care- 14
Litter Domestic Duty of Care - 355
Litter from vehicle - 18
Litter General - 11
Litter Smoking from car - 90
Litter-Smoking related litter- 31
Section 46 - 187
Section 47 - 72
Waste Transfer Note request - 130
Waste Carrier Request -1

PPDR Completion

I can advise that the reasons for the difference is because a number of staff left the Council, 12.5 planned FTE cuts within the 2015/16 budget and those who changed Directorate would account for this difference.

I trust the above is of assistance.

Yn gywir
Yours sincerely



Y Cyngorydd/Councillor Ramesh Patel
Aelod Cabinet dros Drafnidiaeth, Cynllunio a Chynladwyedd
Cabinet Member for Transport, Planning & Sustainability