

**SWYDDFA CYMORTH Y CABINET  
CABINET SUPPORT OFFICE**

Fy Nghyf / My Ref : CM34904  
Eich Cyf / Your Ref :  
Dyddiad / Date: 10th June 2016



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Councillor Paul Mitchell  
Chairperson Environmental Scrutiny Committee  
Cardiff Council  
County Hall  
Atlantic Wharf  
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Annwyl / Dear Paul

**Joint Environmental And Policy Review & Performance Scrutiny Committee  
- 6 June 2016**

Thank you for inviting myself and colleagues to a joint meeting of the Environmental and Policy Review & Performance Scrutiny Committee on Monday 6th June 2016. I have considered the points raised in your subsequent letter of 9th June 2016 and respond as follows:

**Performance and Delivery**

- **New Performance Measures** – I concur that it is important that an appropriate bundle of performance indicators is developed in order to monitor the progress of the new Modified In-house approach. The proposed suite will be shared with Scrutiny prior to being submitted to the Commercial & Accelerated Improvement Board for approval.
- **Project Strategic Objectives** – It is confirmed that any new performance measures, business plans and action plans will clearly link back to the strategic project objectives and be included in the Business Plan.
- **Regular Monitoring** – I agree that the progress of the Modified In House approach needs to be properly monitored on a regular basis to ensure that savings and improvements are being delivered. Arrangements are being made for monitoring reports to be produced on a quarterly basis, in line with the existing Corporate Quarterly Performance Reporting with progress

**ATEBWCH I / PLEASE REPLY TO :**

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*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*



against the clusters and individual services identified in the 'proposed way forward'.

- **Modified In House Business Plan 2017 to 2021** – It was confirmed that work on the Modified In House Business Plan 2017 to 2021 has already commenced and this will be shared with Scrutiny prior to being formally submitted to the Commercial & Accelerated Improvement Board for approval. The view of the Scrutiny Members that the business plan should have been made available alongside the Infrastructure Services Full Business Case (FBC) is noted. However, it is believed that sufficient information is included in the Full Business Case to enable a thorough review of the two options to be undertaken and the best way forward identified which was the objective of this phase of the project

**Collaboration** – The Full Business Case broadly sets out opportunities for collaboration in respect of the proposed service clusters. As advised during the meeting, discussions with neighbouring authorities and other public sector organisations regarding collaboration opportunities have commenced, they will continue to find and form mutually beneficial proposals. Initial discussions with representatives from the Welsh Assembly Government have also been held. These will continue over the forthcoming months and beyond, and opportunities identified will be developed as quickly as practicable.

**Insourcing** – The sources of the values are where capacity has been identified that, with either training or technology additions, functions currently contracted can be delivered within existing Council resources and capacity. I assure you they are forecast and will be tracked in detail as part of the performance measures in line with financial savings plan monitoring.

**Fleet Management** – As stated during the meeting, the installation of a fully functional Fleet Management Information Technology (FMIT) system for Fleet Management has been identified as a priority 'key enabler'. I am pleased to report that on 7th June 2016, the Council's Investment Review Board approved a business case for the installation of a new system and procurement is now ongoing. Given the urgency of this matter, progress will be monitored very closely until the system is in place a fully functional.

**Other ICT Projects** – As stated during the meeting, similarly to the provision of an FMIT system, the installation of new technology for a number of services has been identified as a 'key enabler'. I am pleased to report that on 7th June 2016, the Council's Investment Review Board also approved a business case for the installation of a new database, rostering and mobile working technology for domestic waste collections. Development work is also progressing in respect of new technology systems for Facilities Management and similar work will also be progressed in respect of Neighbourhood Services and Highways.

**Projections** – As previously stated, the importance of monitoring progress against objectives is fully recognised. The Commercial and Accelerated Improvement Board will play a key role in progressing the proposed two complementary programmes of change. Its role will include the regular review

and challenge in respect of the ongoing service interventions and associated progress against the service strategies. As previously stated, progress against the performance measures will be shared with Scrutiny at future meetings.

**Income Generation** – It is important to note that the £307,000 is net income. As explained during the meeting, and as detailed in the FBC, the service analyses show that there is a significant variance of readiness within the services in scope to fully trade where cost base analysis, ICT, staff training and marketing strategies are inadequately developed and will take time to do so. Trading, other than growing existing trading streams, is therefore not the short term priority for many of the services given that; operational change and retention of third party spend is within the control of the Council, hence the most secure route to achieve savings and will make the services more sustainable and efficient. However, it is critical that all services become ‘fit for purpose’ to provide both sustainable and efficient services in the long term and grow their ability to trade. To assist with the necessary commercialisation of services, key activities (as identified in section 2.4.2.4 of the FBC) to be taken forward over the forthcoming months include:

- The establishment of a pricing strategy which has clear commercial principles and accounts for both direct and indirect costs including central establishment costs (CEC) to ensure competitive pricing whilst not over-recovering the indirect costs;
- Completion of zero-based budgeting for all the services in scope to develop a thorough understanding of the essential expenditure and control of budgets to support the future delivery model;
- Improving the current commercial function: there are existing employee’s fulfilling commercial roles – it is intended that these be brought together and a Commercial Lead Person appointed to lead the commercial team across all services;
- Development of a business development strategy for each service and across the services in scope with differentiation between immediate opportunities and a longer term strategy once services are fit to trade;
- Development of a commercial brand that optimises dual brand of being public sector and commercial;
- Development of a marketing strategy and website aligned with branding and business development strategy;
- Mapping out of common customers across services both internal and external, and
- Consideration of the implementation of a policy of supporting the services in scope by ensuring that the Council across all other services seeks to utilise the services in scope rather than promoting third party spend, as long as value for money can be demonstrated and the specific services in scope are given sufficient time to become competitive.

**Improvement of Service Quality** – Improving the quality of service delivery is a key objective of the project and this is reflected in the proposed way forward. This is particularly evident in the following key enablers, identified within the

FBC, which will all have a direct positive impact upon the quality of service delivery:

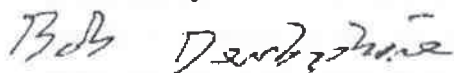
- Implementation of a Fleet Management Information Technology package for the Central Transport Service;
- Implementation of the new enterprise architecture including rostering, scheduling and mobile working technology;
- Completion of a thorough review of the current fleet and building maintenance frameworks;
- Increasing the use of apprenticeships and developing further links with the NEETs agenda;
- The adoption of a 'One-Council' approach to asset management, investment, development and maintenance in respect of the Council's infrastructure assets, and
- The on-going effective engagement of the Trade Unions and employees regarding the operational improvements identified within the service and 'overarching' strategies;

Ongoing initiatives to improve performance should also be noted. For example, over the last twelve months, a pilot Neighbourhood Services scheme was piloted in the west of the city involving street cleansing, parks and highways, and steps have been taken since January 2016 to roll out this approach across the whole city. Examples of improved performance and outcomes for communities include the percentage of highways inspected of a high or acceptable standard of cleanliness (STS/005 (b)), which has increased from 86.79% in 2014/15 to 90.64% in 2015/16. In addition, the percentage of reported fly tipping incidents cleared within 5 working days (STS/006) has increased from 82.61% in 2014/15 to 97.91% in 2015/16. This supports the proposal to strengthen the ongoing operational changes and to accelerate integration of service delivery, in particular, Highway Operations, Parks Services, Street Cleansing and all environmental enforcement services as set out in the FBC.

**Future Scrutiny** – Going forward, myself and colleagues will be please to meet with the Committee when appropriate to present information regarding progress on the implementation of the proposals and other relevant matters, including those identified earlier in this letter.

I trust this response is of assistance. However, if you have any queries, please do not hesitate to contact me.

Yn gwyir  
Yours sincerely



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

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