
CENTRAL TRANSPORT SERVICES

Reason for the Report

1. To provide the Committee with an opportunity to consider Cardiff Council's Central Transport Services. When the Committee agreed its 2013/14 work programme, Members indicated that they would like to focus on particular service areas in more depth during budget monitoring sessions. Facilities Management and Central Transport Services have therefore been scheduled for consideration in the context of the 2013/14 Month 6 budget monitoring report at this meeting. Facilities Management is at Agenda Item 9 in Committee papers.

Background

2. Central Transport Services (CTS) was created in 2009 and is responsible for transport and vehicle provision within the Council. It is now part of the Resources Directorate, although until the recent senior management restructure it was part of Shared Services. It is part of a unit with Facilities Management, which joined it in 2011, and Business Support, which joined in late 2012.
3. CTS Transport Operations provides a vehicle support service to the Council including:
 - The procurement, management and disposal of vehicles used by Cardiff Council;
 - Repair and maintenance,
 - Tyre replacement;
 - Ensuring that vehicles are fit for purpose, roadworthy, licensed and comply with regulations;

- Fuel and transport-related carbon emissions;
 - Assisting directorates in ensuring that their drivers are fully trained and hold the correct licences and insurance for the vehicles they drive at work.
4. CTS used to be based at the Central Workshops in Grangetown, but recently moved to a purpose built facility on Coleridge Road, adjacent to the Council's Brindley Road site. This depot includes an MOT testing facility, which is open to the public five days a week, 11 maintenance bays, a VOSA approved testing facility, and a fabrication workshop.
5. A number of documents are attached to this report as background information:
- **Appendix A** - Resources Directorate's structure, as distributed with Directorate Budget briefing packs at the Committee's November 2013 meeting, showing where Central Transport Services sits;
 - **Appendix B** - Resources Directorate budgetary analysis;
 - **Appendix C** - Resources Directorate Net Revenue Budget 2013/14 'bubble diagram';
 - **Appendix D** - Central Transport Service's 2013/14 Business Plan, setting out a number of aspects of the service, including its key performance indicators, a more detailed structure, and its action plan for 2013/14.
 - **Appendix E** – Central Transport Services performance information to the end of November 2013.

Issues – 2013/14 savings

6. Members will note from the 2013/14 Budget Monitoring Report (at Agenda Item 13 in Committee papers) that overall the Council faces a projected overspend of £903,000 at Month 6, as compared to an overspend of £3.913 million projected at Month 3. Within this figure, the Resources Directorate is currently projecting an overspend of £1.198 million, a reduction of £598,000 as compared to the Month 3 position. Much of this improvement is attributed to an improved position in relation to Fleet Management. However significant overspends of £1.033 million are still projected in this area. There is a continuing shortfall against the service's savings targets of which £982,000 was allocated in 2012/13 and £834,000 as

part of the 2013/14 budget. The Month 6 budget monitoring report notes that delays in the fleet replacement and reduction programme have resulted in continued use of short-term hire as well as increased fuel usage and maintenance costs. The £250,000 saving proposal which was accepted in relation to improving driver behaviour is not deemed to be achievable and cannot be progressed while overspends are also reported against unbudgeted vehicle tracker costs.

7. The 2013/14 Budget Proposals included a number of savings proposals for Central Transport Services. Savings were predicted to be achieved in areas such as Improving Driver Behaviour, Category Management Fleet Spend and Control of short term hire. These are set out at **Appendix F**, which also includes a line by line update as at Month 3 and at Month 6, showing where savings shortfalls are currently projected.

Issues – 2014/15 Budget Strategy

8. The 2014/15 Budget Strategy report considered by the Cabinet in July 2013 set out an adjustment of £16.6 million had been made to the Council's base budget of £593 million. The report stated that:

“It is recognised that significant savings of £3.9 million in total have already been identified from these areas over the past two years. It is considered unreasonable to expect that further savings due to efficiencies alone are realisable and the achievement of the 2013/14 savings in this area has been identified as a significant risk to the Council's monitoring position. Savings as a result of demand reductions may be possible and if these are achieved by directorates they will be included against the relevant targets for these areas”.
9. At its 16 December 2013 meeting, the Cabinet considered a report entitled '2014/15 Budget Strategy - Early Consideration of Proposals'. This report set out a number of propositions for the Cabinet to consider at an early stage in order to allow sufficient time to prepare to achieve the level of savings required to balance Directorate budgets in 2014/15 and to allow sufficient time for engagement with relevant parties.

10. A proposal relating to Central Transport Services was included, as set out below:

“**Central Transport Services – Development of Business Case.** This proposal seeks approval to undertake the development of a business case to determine the preferred delivery model to exploit income generation opportunities.”

A copy of the full proposal is attached at **Appendix G**.

11. In relation to this proposal, Members may also wish to refer to the attached briefing papers:

- **Appendix H** – Briefing paper on different models of service delivery prepared by Cardiff Council Legal Services;
- **Appendix I** – Overview of the most common potential legal structures.

These papers were prepared for the Community and Adult Services Committee’s forthcoming consideration of the recommendations of the Social Care Modernisation Task Force. Although the Cabinet proposal attached at **Appendix G** is simply to prepare a business case to explore potential delivery models and test the viability of CTS becoming a Trading Company, Members may find them useful background reading as they provide a generic overview of some of the issues involved, particularly in terms of business case development.

Way Forward

12. Councillor Russell Goodway, Cabinet Member for Finance and Economic Development, and Christine Salter, Corporate Director Resources, have been invited to attend this meeting. Lesley Ironfield, Operational Manager - Facilities Management, will also be in attendance to give a presentation about Central Transport Services’ current position and opportunities for future developments. She has been undertaking a caretaker role across the service since April 2013 reporting directly to the Corporate Director Resources, as the post of Operational Manager for Central Transport Services has been vacant. Steve Robinson, Head of Commissioning and Procurement, has also been invited to attend, as several CTS savings proposals relate to procurement opportunities.

Legal Implications

13. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers of behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

14. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

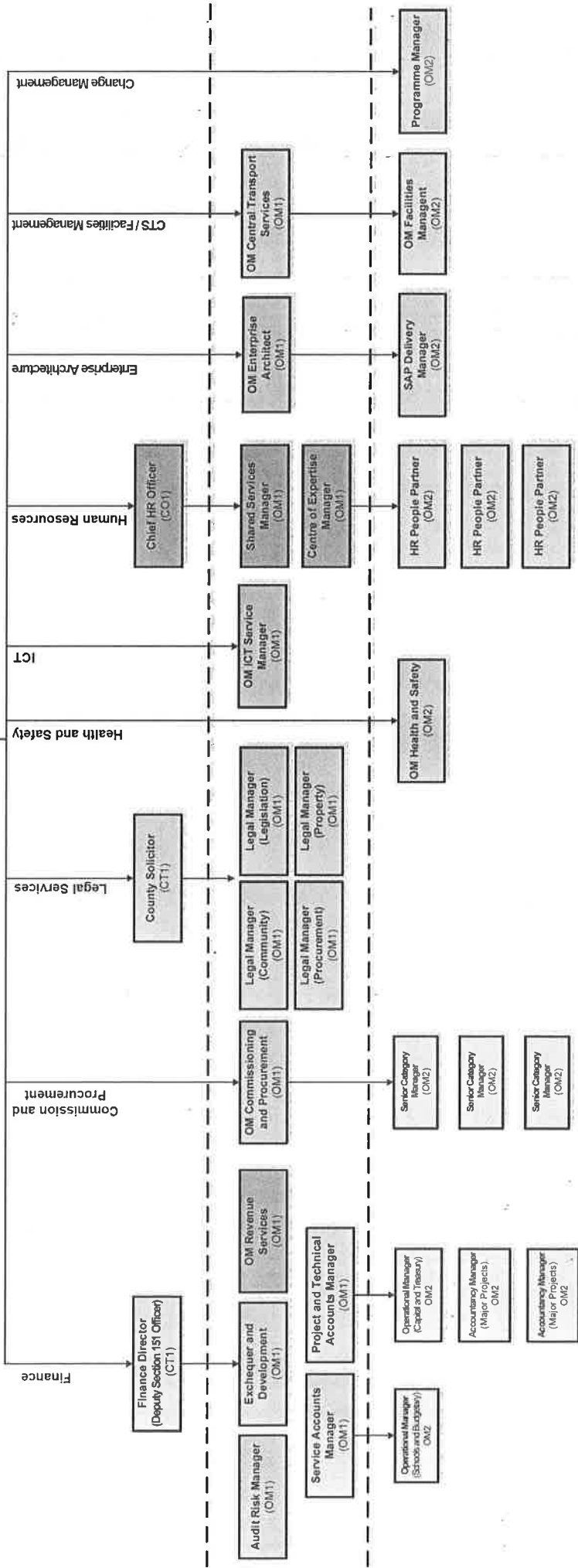
The Committee is recommended to:

- i. Consider the information attached and presented at the meeting and forward any comments or recommendations it wishes to relay to the Cabinet.

MARIE ROSENTHAL

County Clerk and Monitoring Officer
30 December 2013

CORPORATE DIRECTOR OF RESOURCES
Section 151 Officer (CDIR-1)



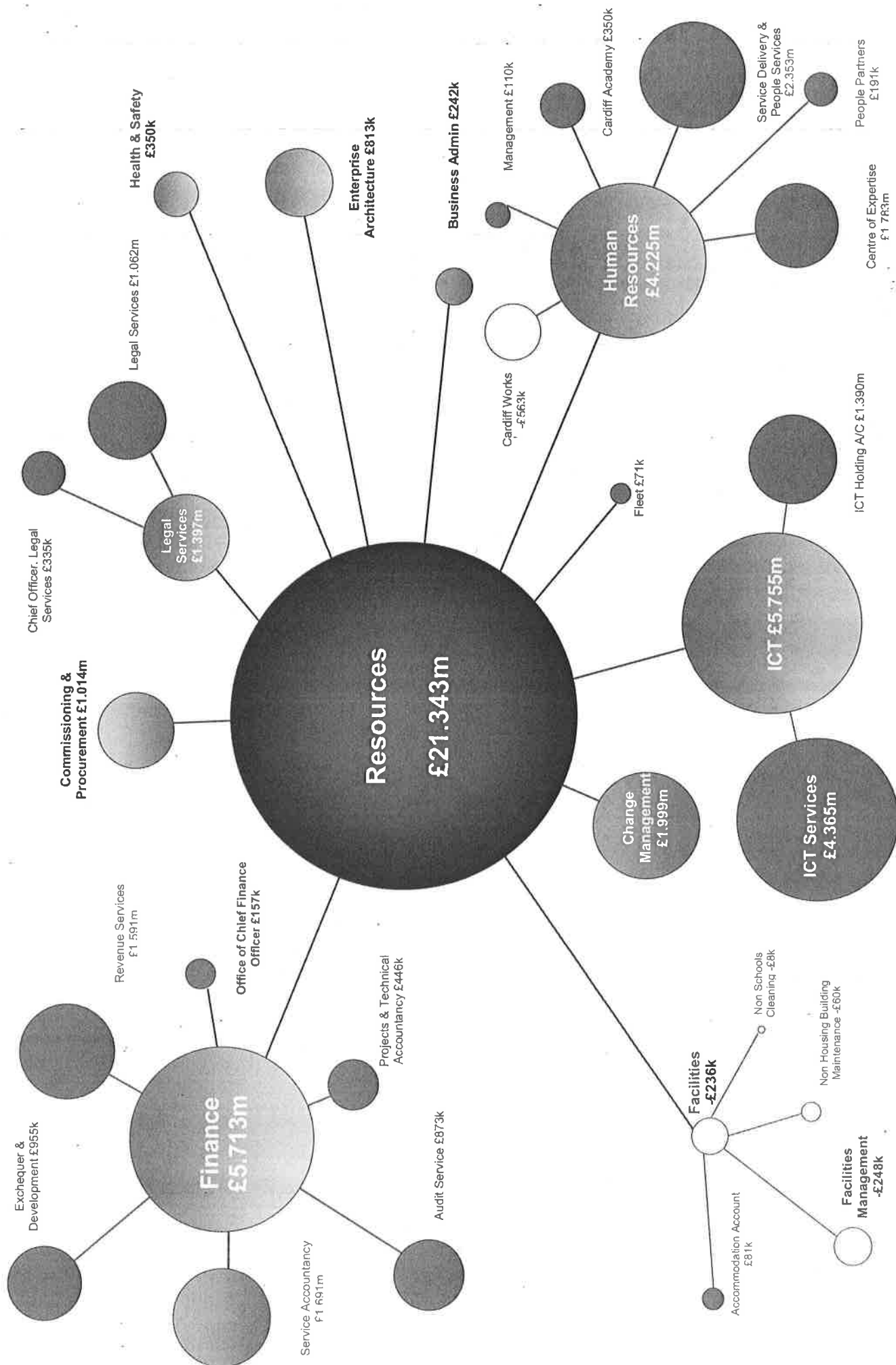
Sub Division of Service	Expenditure						Income			Net		Staff
	Employees	External Spend	Other Expenditure	Internal Income	Gross Expenditure		Grant Income	Other Income	Total Income	Net Expenditure	FTE	
Finance:-	£	£	£	£	£	£	£	£	£	£		
1 ** Exchange & Development	1,453,070	270,600	290,400	(722,450)	1,291,620		(336,510)	(336,510)	955,110	59		
2 ** Projects & Technical Accountancy	702,930	3,910	40,640	(184,760)	562,720		(116,960)	(116,960)	445,760	14		
3 ** Audit Services	1,428,390	53,070	112,250	(28,630)	1,565,080		(550,740)	(692,250)	872,830	40		
4 ** Service Accountancy	2,207,130	37,310	159,780	(463,680)	1,940,540		(221,710)	(249,710)	1,690,830	59		
5 ** Revenue Services	2,908,600	449,930	352,590	(26,660)	3,684,460		(2,093,010)	(2,093,010)	1,591,450	90		
6 ** Office of Chief Finance Officer	174,360	(33,480)	15,750		156,630			0	156,630	1		
Total Finance	8,874,480	781,340	971,410	(1,426,180)	9,201,050		(3,318,930)	(3,318,930)	5,712,610	263		
Commissioning and Procurement:-												
7 ** Procurement & Supplies	2,024,200	1,508,500	190,710	(1,344,920)	2,378,490		(1,364,260)	(1,364,260)	1,014,230	57		
Total Commissioning and Procurement	2,024,200	1,508,500	190,710	(1,344,920)	2,378,490		(1,364,260)	(1,364,260)	1,014,230	57		
Legal Services												
8 ** Chief Officer, Legal Services	325,290	6,780	19,360	0	351,430		(16,000)	(16,000)	335,430	3		
9 ** Legal Services	2,031,300	53,780	207,220	(411,430)	1,880,870		(819,000)	(819,000)	1,061,870	52		
Total Legal Services	2,356,590	60,560	226,580	(411,430)	2,232,300		(835,000)	(835,000)	1,397,300	55		
10 ** Health & Safety	375,040	15,700	30,950	(9,000)	412,690		(62,690)	(62,690)	350,000	8		
11 ** Enterprise Architecture	654,130	156,870	18,000	0	829,000		(16,000)	(16,000)	813,000	8		
Human Resources:-												
12 ** Management	111,360	(1,550)			109,810		0	0	109,810	2		
13 ** Cardiff Academy	350,000				350,000		0	0	350,000	0		
14 ** Service Delivery & People Services	2,495,640	383,800	108,510	(380,730)	2,607,220		(254,010)	(254,010)	2,353,210	66		
15 ** People Partners	221,580	1,570	1,440	(3,980)	220,610		(29,300)	(29,300)	191,310	3		
16 ** Centre of Expertise	1,621,730	227,200	505,370	(396,070)	1,958,230		(175,190)	(175,190)	1,783,040	37		
17 ** Cardiff Works	6,655,340	39,270	111,030	(7,198,390)	(392,750)		(170,000)	(170,000)	(562,750)	4		
Total Human Resources	11,455,650	650,290	726,350	(7,979,170)	4,853,120		(628,500)	(628,500)	4,224,620	112		
ICT:-												
18 ** ICT Services	4,655,060	1,749,170	643,690	(2,128,100)	4,919,820		(554,609)	(554,609)	4,365,320	127		
19 ** ICT Holding A/C		2,504,060	1,130	(593,800)	1,911,390		(521,730)	(521,730)	1,389,660			
Total ICT	4,655,060	4,253,230	644,820	(2,721,900)	6,831,210		(1,076,339)	(1,076,339)	5,754,980	127		
Facilities:-												
20 ** Facilities Management	735,160	(760,620)	16,315,440	(15,395,450)	894,530		(1,143,000)	(1,143,000)	(248,470)			
21 ** Non Housing Bldg Mfct	2,221,210	885,070	8,334,800	(11,203,610)	237,470		(297,140)	(297,140)	(59,670)	76		
22 ** Non Schools Cleaning	2,340,880	86,490	128,600	(2,462,130)	93,840		(102,150)	(102,150)	(8,310)			
23 ** Security & Portering	759,350	5,290	10,730	(775,370)	0		0	0	0			

4. Budgetary Analysis

CONFIDENTIAL

Sub Division of Service	Expenditure						Income			Net		Staff
	Employees	External Spend	Other Expenditure	Internal Income	Gross Expenditure	Grant Income	Other Income	Total Income	Net Expenditure	FTE		
	£	£	£	£	£	£	£	£	£	£		
24 ** Accommodation Account			4,125,740	(4,045,000)	80,740		0	0	80,740			
Total Facilities	6,056,600	216,230	28,915,310	(33,881,560)	1,306,580	0	(1,542,290)	(1,542,290)	(235,710)	76		
Fleet:-												
25 ** Service Management & Support	79,710	(2,630)	7,250		84,330		0	0	84,330	1		
26 ** Clare Road Workshops	1,669,140	244,500	5,881,570	(7,449,100)	346,110		(359,450)	(359,450)	(13,340)	57		
Total Fleet	1,748,850	241,870	5,888,820	(7,449,100)	430,440	0	(359,450)	(359,450)	70,990	58		
27 ** Business Admin	651,650	(6,230)	49,180	(17,490)	677,110		(435,110)	(435,110)	242,000	26		
28 ** Change Management	1,628,270	375,980	94,730	0	2,098,980		(100,000)	(100,000)	1,998,980			
**** Resources	40,480,520	8,254,340	37,756,860	(55,240,750)	31,250,970	(169,401)	(9,738,569)	(9,907,970)	21,343,000	790		

Resources – Net Revenue Budget 2013/14



Central Transport Services Facilities Management Business Plan 2013 – 2014



Cardiff FM - Compliant, Competitive, Safe, Sustainable



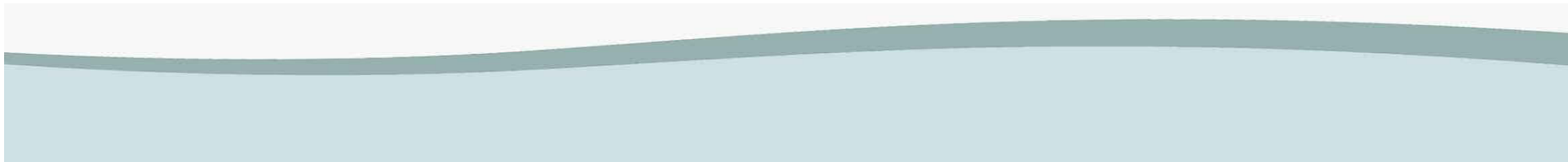
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1. Introduction

The Central Transport Services' Business Plan 13 – 14 is the first for this Service Area that consists of the amalgamation of Transport Services, Facilities Management and Business Support.

Facilities Management joined Central Transport Services in April 2011 and more recently Business Support in December 2012. The development of our own structure to combine these three services will enhance and utilise our combined knowledge and understanding to create a better customer experience to all our services.

Our diverse Service Area provides a number of key functions that Contribute to the day to day running of the organisation. These are:

- maintenance, repair and utilisation of fleet vehicles
- vehicle related training
- planned and responsive maintenance
- cleaning and security of buildings
- portering and reception duties
- centralised administration support

This activity supports other Service Areas assisting in the provision of their services to both internal and external customers and the citizens of Cardiff.

Central Transport Services have developed an effective business planning process in line with corporate requirements ensuring that the Council's corporate objectives are fully supported and contribute towards their achievement as shown in this document.



1.1 Achievements

Consolidating these services has created a firm foundation for the business to move forward enabling quality and value for money services to be delivered.

Transport Services

- The construction of the new depot at Brindley Road
- Retained ISO 9001 (Quality) and ISO 14001 (Environmental) accreditation
- Implementation of agreed Service Level Agreements and Key Performance Indicators (KPIs)
- Reduction of fuel emissions

Facilities Management

- Centralisation of Budgets
- The Service Desk fully implemented for all FM enquires – this has now extended to all Schools

Business Support

- Centralising Business administration duties such as flexi, eye tests and rail cards
- Commenced centralisation of Stores administration
- Mapping 'as is' processes creating new system processes



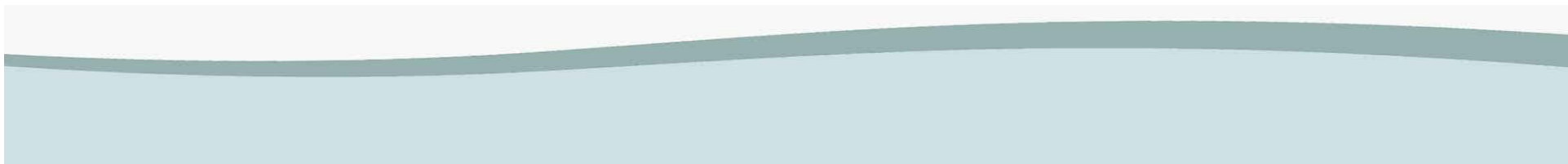
- Introduction of re designed processes within Building Services

1.2 Performance

Please see below performance indicators that we have set or are in progress for 2013/14. The data shows our performance in specific activities and if our targets have been met. Monitoring our performance helps us focus on improvements that may be needed. This will to ensure services and activities are carried out as effectively and efficiently as possible. A review of performance management will take place in 13/14 as a performance framework will be developed.

Facilities Management

Objective	Target	Qter 1	Qter 2	Qter 3	Qter 4	Overall	Trend	Comments
% of Customer satisfied with the FM service	90%	86.15%	85.51%	82.04%	83.93%	84.27%	↓	During the recruitment process which will be completed by Sept 2013. we anticipate the figures to rise.
% of pre inspections completed	90%	-	-	Actual =	Actual =			Waiting figures



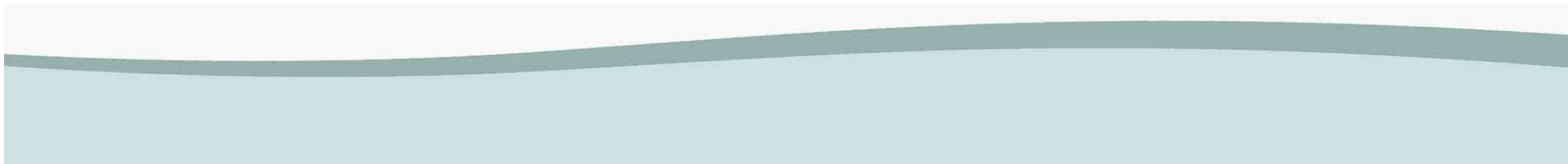
within 10 days of notification		-	-	Target =	Target =			
% of service desk calls closed within SLA	90%	85%	86%	75%	87%	84%	↓	During the recruitment process which will be completed by Sept 2013. It is anticipated that the figures will rise
% of completed order with variation ordered over £250.00	10%	-	-	-	-	-		Data and process to be developed to report on objective within 13 / 14
% of complaint of Buildings		-	-	-	-	-		Data and process to be developed to report on objective within 13 / 14



1.3 Aspirations

Central Transport Services are committed to improving the essential and diverse services that we provide and have set aspirations as to how we will continually develop and improve our front line services.

1. Implement and embed new structure
2. Increase efficiencies to maximise cost savings and meet our budget challenges
3. Introduction of Category Management
4. Create a culture of employee engagement within Central Transport services
5. Implement, progress and review Health and Safety, Sustainability and Equality within Central Transport Services
6. Identify and implement career pathways and training plans to provide fully trained, compliant and professional staff



2. Overview of Services and Contribution to Corporate Plan

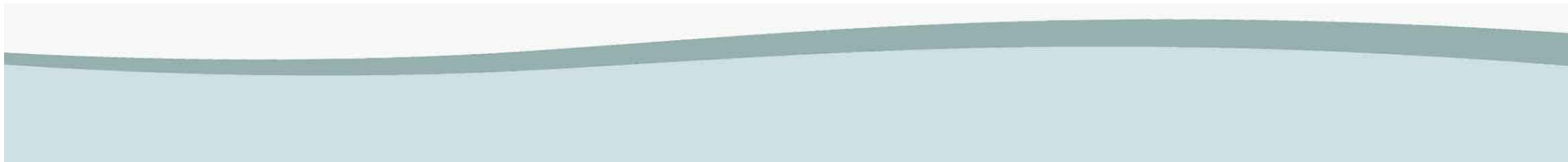
The Council's Corporate Plan 2013 - 2017 identifies the vision for Cardiff. Central Transport Services assist in the delivery of the five themes making up the Council's commitment to Cardiff.

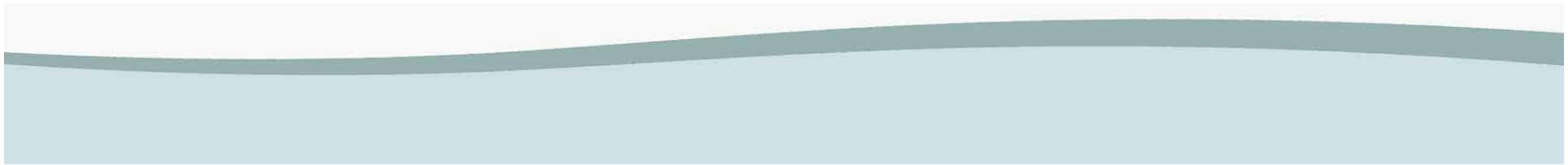
These are:

Making a better future for our city
Creating jobs & opportunity for all
Helping those that need it most
Working together for the city and the region
Working smarter and better

In our plan we have utilised the above colour coding throughout the document to support the above five themes. This is demonstrated in our aspirations and objectives we have set ourselves.

Our business plan focuses on our contribution to the relevant key outcomes. We contribute to a number of projects via the Council's Transformation Programme achieving efficiencies and benefits across the Council.





Central Transport Services have developed an effective business planning process in line with the corporate requirements ensuring the organisations priorities are fully supported. The process is designed to show a clear line of alignment between the Corporate Plan and individuals within the Organisation.

Corporate Plan

This includes our priorities as an organisation – highlighting our activities in those areas prioritised by the Citizens of Cardiff and corporately by the Council.

Corporate Resources

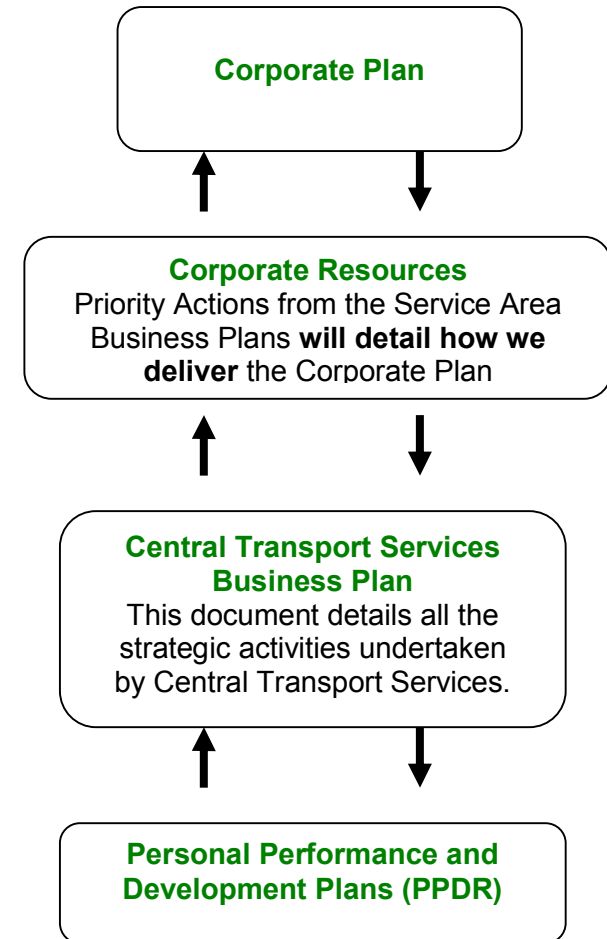
This document advises how we are to deliver the priorities and objectives via an action plan. It includes specific actions and performance measures to scrutinise our progress that are taken from Service Area Business Plans'

Central Transport Services Business Plan

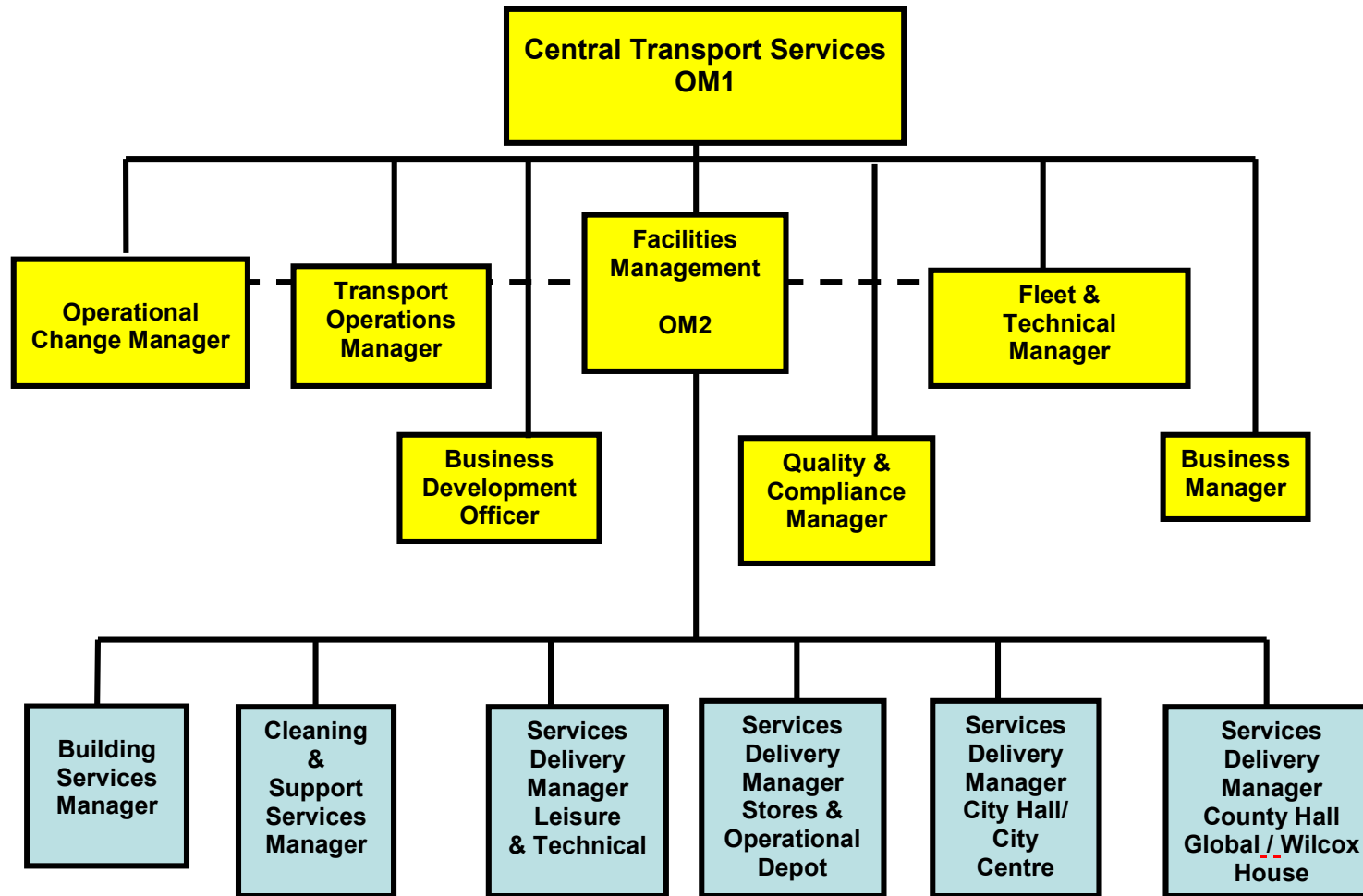
The Business Plan sets out the criteria and the objectives/strategic aims we need to meet as a Service Area.

Personal Performance Development Review (PPDR)

Using the Business Plan as reference; all employees should meet with their manager at the beginning of the year to set out their individual objectives. This is reviewed later on in the year to check what progress/development has been achieved.



Please see below Central Transport Services current Structure and reporting lines for Transport Services, Facilities Management and Business Support.



2.1 Key Services offered within Central Transport Services

Central Transport Services consists of 3 elements that have the responsibility of a number of diverse services.

This section provides an overview of the services provided.

Transport Services

Transport Services manage the Council transport and utilisation of these vehicles. Activities include:

- Vehicle fleet procurement and hire
- Planned and reactive maintenance
- MOT Testing for internal fleet vehicles and members of the public
- Transport co-ordination / related training
- Hire Desk

Facilities Management

Facilities Management is responsible for Building Services, Cleaning and Support services which offer a number of services such as:

Building Services

- Planned and responsive maintenance
- Statutory Obligations

Cleaning and Support Services

- Cleaning of buildings except schools

- Security of buildings along with all alarm call outs
- Portering and reception functions
- Caretaking
- ID cards and Room Bookings

Business Support

Business Support Service performs a number of functions:

Finance

- Monitoring budgets
- Raising and payment of invoices
- Stores administration
- WOM administration

Central Support Team

- Flexi adjustments/reports, eye tests and rail cards
- Performance monitoring
- CIS administration
- Business co-ordination

2.2 Resources

Central Transport Services is responsible for a budget of approx £40,021,000 and is allocated via

- | | |
|--------------------|-------------|
| • Fleet | £8,326,000 |
| • Facilities | £31,022,000 |
| • Business Support | £673,000 |

There are over 500 established posts which range from manual, trades, and administration including Health and Safety Officer.

2.3 People

The centralisation of Transport Services, Facilities Management and Business Support has been achieved and further work will continue throughout 2013/14 to work towards the rollout and implementation of the structure. A review of all training across the Service Area will be undertaken to produce a training matrix to ensure staff are appropriately skilled for their jobs. Within CTS a Learning Partner has been nominated to ensure all staff including non pc based users are fully aware of all learning opportunities that are available to them.

Personal Performance Development and Review (PPDR) will continue to be undertaken and monitored throughout the year. Gaps in personal and organisational progression will be identified and met.

2.4 Measuring performance

Transport Services has established key performance indicators that meet the Councils wider objectives. Transport Services review and monitor their performance on a monthly basis reporting on damage costs and vehicle utilisation throughout the Council.

In addition, Central Transport Services aim is to build and develop a similar framework for Facilities Management and Business Support. This system ensures CTS meet key services objectives and targets. Regular monitoring and review of performance against targets is conducted, with action taken to address service when required.

2.5 Risk Management

Central Transport Services recognises the value of managing risks. Processes are in place to identify, mitigate and monitor across Transport Services. This will be rolled out in 2013/14 to include Facilities Management and Business Support. All risks affecting the achievement of the organisations / Service Area strategic and operational objectives are recorded via the risk register. Through the effective use of the register, risks are reviewed regularly through BIM/OIM and Senior Management meetings. The implementation of the new structure will also see the introduction of a 'Compliance Team'. This team will ensure compliance and any new legislation is met and more manageable throughout the Service Area.

2.6 Health and Safety

Health and Safety is key to the business within Central Transport Services with the aim is to achieve the highest possible standards ensuring all our buildings are compliant. Central Transport Services will work with the Corporate Health and Safety Team and action plans to put in place procedures to ensure the continued health, safety and wellbeing of our staff and visitors. As stated above the 'Compliance Team' will assist with this activity. Appropriate training will be implemented and will encourage communication and consultation with employees, contractors and visitors on health and safety.

2.7 Sustainability

Central Transport Services are continually improving efficiency and exploring new technologies and ways of working to support the Councils sustainability aspirations. "Green Team" meetings are held which allow us to recognise and introduce new and improved practises to our buildings and other departments to become more energy efficient and cost effective. In May 2012 Cardiff Council achieved Green Dragon Level 3; CTS will continue to support and maintain this recognised standard.

Transport Services are also piloting a scheme to attain Level 4 working in conjunction with the Sustainable and Energy Management unit. Transport Services have achieved and maintained BSEN ISO 9001 and BSEN ISO 14001. These accreditations are subject to regular external assessment visits, the results of which are used to develop and improve environmental and management systems which we will continue to work to. Please see link to our Environment Improvement Plan: <http://tinyurl.com/CardiffEnvImpPlan>



2.8 Communication

Central Transport Services is committed to effective and meaningful consultation with all Trade Unions and individuals. We encourage and support regular monthly meetings with Trade Union representatives to open an exchange of views and information. Consulting with our staff is our priority and vital during the transition and the implementation of the new structure. Employee Forums are held within CTS. This enables staff to highlight any concerns or issues and encourage Staff to suggest any new ideas' with the aim of improving and promoting closer working relations across teams and the department. As a result a communication strategy has been developed to help achieve this. Please see our current communication strategy that we have in place: <http://tinyurl.com/CTScomms>

2.9 Equality and Diversity

CTS recognise and are fully committed to actively promoting equality and diversity to our internal and external customers, our staff and within the services we provide with a designated member of staff taken on the role as Equality Officer. Equality Impact Assessments (EIAs) are conducted when new or revised plans to CTS services, policies or projects are carried out. The assessments ensure all potential equality impacts/risks are considered and identified as soon as possible to then make any changes that maybe required. Please see Strategic Equality Plan <http://tinyurl.com/CardiffStatEqPlan>

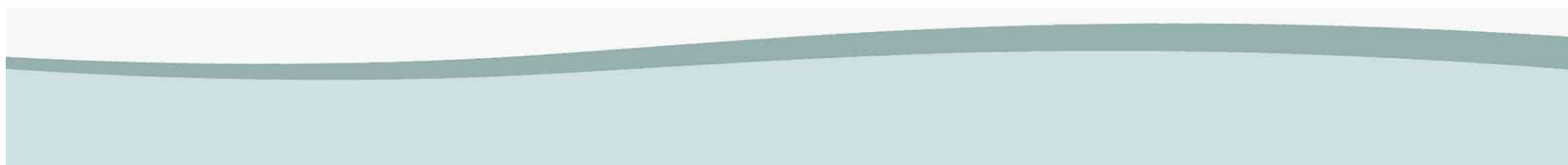
3.0 Challenges

Central Transport Services face significant challenges in 2013 – 14. Within all elements of our Service Area there are a number of specific considerations that need to be taken into account:

- Continue to manage centralised budgets
- Ensure all FM services are compliant, competitive, safe and sustainable
- Implementation of the structure and integrating all staff within CTS, Facilities Management and Business Support
- Relocation of core frontline vehicles and operational staff to the new facility

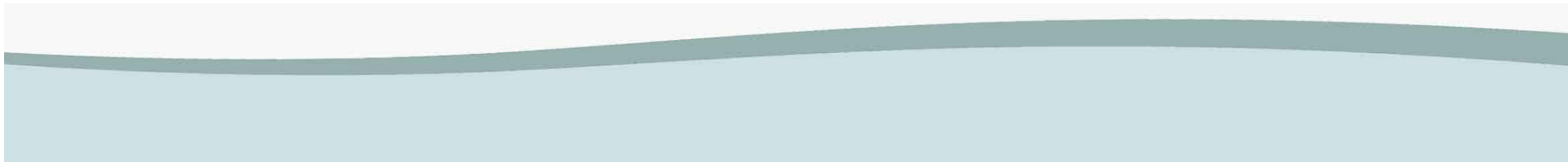
To ensure Central Transport Services are managing their resources efficiently, CTS contribute and work in conjunction with Commissioning and Procurement, working towards a 5 year plan. CTS are also contributing to the Councils efficiency programme. The table below outlines the activity being undertaken.

Area	Service Area Efficiency Saving	Transformation Programme	Commission and Procurement 5 year plan
Security		✓	
Cleaning		✓	
Reduction in Energy Consumption	✓		
Business support centralisation		✓	
Building maintenance procurement contract			✓
Control of short/long term hire			✓
Improving driver behaviour			✓
Category Management fleet spend /passenger transport			✓
FM Structure	✓	✓	

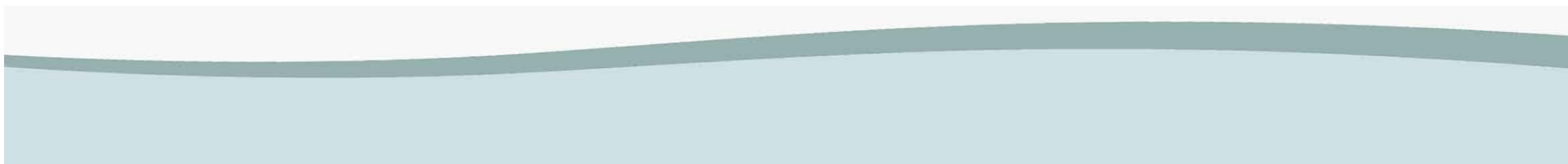


3.0 Action Plan Overall – Central Transport Services

Theme	Objective	Aspiration	Milestone	Date	Measure
Making a better future for our city					
Creating jobs & opportunity for all	Ensure all staff are adequately trained within their roles.	6	<ul style="list-style-type: none"> • Develop training matrix/plan, mapping all training requirements for each team. • Undertake individual training analysis against matrix/plan • Identify any priority training and implement • Prepare and incorporate training needs into PPDR for 14/15 	<p>Sept 2013</p> <p>Sept 2013</p> <p>Oct 2013</p> <p>March 2014</p>	<p>All Managers</p> <p>All Managers</p> <p>All Managers</p> <p>All Managers</p>

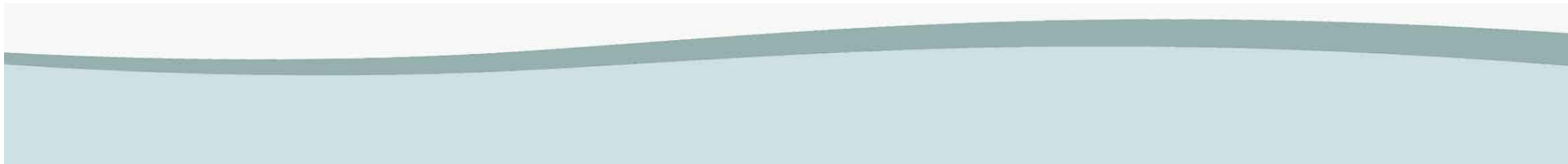


	Investigate opportunities for income generation	2	<ul style="list-style-type: none"> • Review existing working arrangements • Identify potential income generation opportunities • Develop action plan 	<p>Sept 2013</p> <p>Nov 2013</p> <p>Dec 2013</p>	<p>All Managers</p> <p>All Managers</p> <p>All Managers</p>
Helping those that need it most	Produce and publish Equality Impact Assessments	5	<ul style="list-style-type: none"> • Training for applicable staff to be able to understand and produce EIAs • Identify current and future projects/procedures for EIA to be completed against • Prioritise the projects/procedures and projects throughout the year and complete • Publish EIAs via CIS 	<p>June 2013</p> <p>July 2013</p> <p>Aug 2013</p> <p>Dec 2013</p>	<p>All Managers</p> <p>All Managers</p> <p>All Managers</p> <p>Business Operations Officer</p>
Working together for the city and region					



Working smarter and better	Improve Health and Safety compliance	5	<ul style="list-style-type: none"> • Review all risk assessments and COSHH • Identify and prioritise Health and Safety training for staff • Communicate Service Area Health & Safety Action plan to all staff • Implement action within Health and Safety action plan. 		<p>All Managers</p> <p>All Managers</p> <p>All Managers</p> <p>All Managers</p>
	Manage health and safety in line with Corporate H&S objectives	5	<ul style="list-style-type: none"> • Review the management of asbestos in relevant buildings • Audit core buildings for compliance • Deliver briefing sessions to all users of equipment that have a potential risk of HAV or WBV with CTS • The measurement, calibration and tagging of all equipment that produces vibration, to ensure the risk of HAV and WBV syndrome to users is removed. • Implement the management of contractor's policy into the control of contractors on site when available. 	<p>Nov 2013</p> <p>Oct 2013</p> <p>Nov 2013</p> <p>Sept 2013</p> <p>Aug 2013</p>	Quality and Compliance Manager

	Review and update CTS risk register to incorporate potential risks to FM service delivery		<ul style="list-style-type: none"> • Identify potential/risks within FM service delivery • Devise appropriate remedial action and control measures to manage risk where identified • Recording measures via risk register • Monitor and review 	<p>July 2013</p> <p>Aug 2013</p> <p>Aug 2013</p> <p>March 2014</p>	Quality and Compliance Manager
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Action Plan - Facilities Management

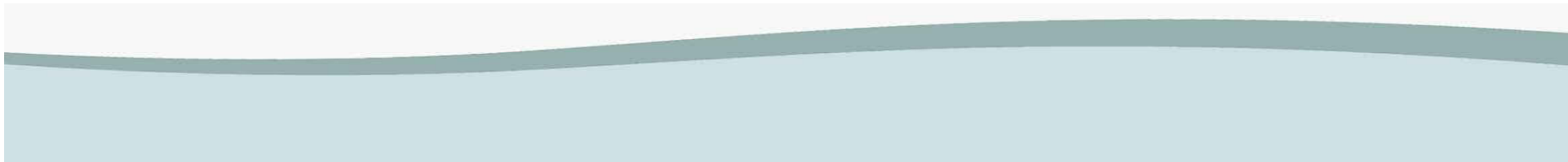
Theme	Objective	Aspiration	Milestone	Date	Measure
Making a better future for our city	Reduction in Energy consumption in core buildings <ul style="list-style-type: none"> Working closely with Energy management team Introduce good housekeeping and energy initiatives Raise awareness within Core Buildings 	5	<ul style="list-style-type: none"> Ensure reoccurring catch up meetings are in place with Energy Team 	April 2013	Operational Manager and Business Operations Officer
			<ul style="list-style-type: none"> Re establish regular Green Teams 	April 2013	Business Operations Officer
			<ul style="list-style-type: none"> Promote and communicate Green Dragon / Team initiatives quarterly through information via notice boards / intranet and staff inbox 	July 2013	Business Operations Officer
			<ul style="list-style-type: none"> Continue and progress quarterly FM Green Dragon reports 	April 2013	Business Operations Officer
			<ul style="list-style-type: none"> Complete Installation of water AMR meters for all Core Buildings (automatic meter readings) to obtain accurate figures to effectively monitor usage 	Aug 2013	Business Operations Officer
			<ul style="list-style-type: none"> Carry out baseline energy consumption audit for County Hall in partnership with Energy Team and investigate 	April 2013	Service Delivery Managers

			invest to save initiatives to improve efficiency <ul style="list-style-type: none"> • Liaise with Energy Team to identify invest to save options across CCC buildings • Develop Carbon Management KPI for FM • Report savings made via initiatives 	July 2013 July 2013 March 2014	Service Delivery Managers
Creating jobs & opportunity for all					
Helping those that need it most	Improve accessibility and user experience to Core Buildings	5	<ul style="list-style-type: none"> • Identify projects via the Asset Renewal programme • Prioritise and develop action plan to undertake improvements • Customer service Training to be completed for all frontline staff • Review working practice procedure and identify area of improvement • Review any accessibility issues in conjunction with the 	Aug 2013 Sept 2013 Oct 2013 March 2014 March 2014	Building Services Manager All Managers Service Delivery Managers Service Delivery Managers

			Councils Access officer		
Working together for the city and region					
Working smarter and better	Implement a new Cleaning standard	2	<ul style="list-style-type: none"> • Categorisation of building areas • Establish cleaning frequency criteria • Identity and validate productivity rates • Hold briefings for all cleaners • Implement Phase 1 • Implement Phase 2 • Implement Phase 3 	Sept 2013 Sept 2013 Sept 2013 April 2013 July 2013 Oct 2013	Cleaning and Support Manager and Cleaning and Support Team Leader
	Investigate and develop Security Services	2	<ul style="list-style-type: none"> • Review current services and map current processes • Research best practice • Identify efficiencies • Agree and Implement any changes that are made 	July 2013 Sept 2013 Oct 2013 Dec 2013	Cleaning and Support Manager and Cleaning and Support Team Leader

	Improve communication and engagement within Central Transport Services	4	<ul style="list-style-type: none"> • Commence Senior management meeting to integrate CTS & FM • Ensure monthly team meetings are taking place • Review Communication strategy and publicize through CIS/Team meetings • Review feedback mechanism received from individuals 	<p>April 2013</p> <p>May 2013</p> <p>May 2013</p> <p>June 2013</p>	<p>Operational Manager</p> <p>All Managers</p> <p>Business Operations Officer</p> <p>Business Operations Officer</p>
	To investigate alternative Cleaning products that are more ecological friendly	5	<ul style="list-style-type: none"> • Review existing products and machinery • Identify products and machinery to be more sustainable • Investigate available ecological products and machinery. • Assess and evaluate performance and efficiency of products. • Procure goods 	<p>Nov 2013</p> <p>Nov 2013</p> <p>Dec 2013</p> <p>Jan 2014</p> <p>March 2014</p>	<p>Cleaning and Support Manager</p>
	Develop Business Case for Building Services to enable the unit to become competitive which reviews overheads and the way the unit is funded	2	<ul style="list-style-type: none"> • Review and identify existing and future services • Analyse finance (income and spend) • Review overheads 	<p>Oct 2013</p> <p>Oct 2013</p> <p>Oct 2013</p>	<p>Building Services Manager</p>

			<ul style="list-style-type: none"> • Consider options for finance structure • Develop Business model • Implement new model 	<p>Dec 2013</p> <p>Jan 2014 March 2014</p>	
	Preparation of the implementation of Category Management within Building Services	3	<ul style="list-style-type: none"> • New Building Services Processes communicated to all staff prior to internal "go-live" date of new Building Maintenance Framework Contract • Technical Staff awareness sessions complete and packs circulated regarding revised Contract Administration Building Maintenance Framework Contract Start Date 	<p>May 2013</p> <p>June 2013</p>	Building Services Manager



Action Plan – Business Support

Theme	Objective	Aspiration	Milestone	Date	Responsible person
Making a better future for our city					
Creating jobs & opportunity for all					
Helping those that need it most	Implement administration of reasonable adjustment process	2	<ul style="list-style-type: none"> • Agree process • Train staff • Implement process • Provide quarterly stats 	Aug 2013 Sept 2013 Sept 2013 Jan 2014	Business Manager
Working together for the city and region					
Working smarter and	Standardise finance process across CTS, Building Services,	2	<ul style="list-style-type: none"> • Map current process • Develop new standardised 	Sept 2013 Oct 2013	Business Manager

better	Highways and CMS		<ul style="list-style-type: none"> process • Train all staff • Implement 	<p>Nov 2013 Nov 2013</p>	
	Develop a performance framework across CTS	2	<ul style="list-style-type: none"> • Review existing and develop new KPIs • Identify business critical data • Produce reports for Senior Mgt Team 	<p>Aug 2013 Aug 2013 Sept 2013</p>	Business Manager
	Investigate feasibility of real time process for staff and managers in relation to flexi.	2	<ul style="list-style-type: none"> • Set up working group for interested parties • Produce initial briefing for corporate approval to progress • Investigate option for flexi management • Develop business case 	<p>Sept 2013 Oct 2013 Oct 2013 Dec 2013</p>	Business Manager
	Implement Central Processes for supplies administration across the council	2	<ul style="list-style-type: none"> • Take on of Leasehold and Estates, Building Services, Highways and CTS into a single process managed centrally by Shared Stores Administration • Map "As-is" stores processes for FM stores at Brindley Road - • Create "To-Be" processes for FM stores Brindley Road - 	<p>Aug 2013 Sept 2013 Oct 2013</p>	Business Manager

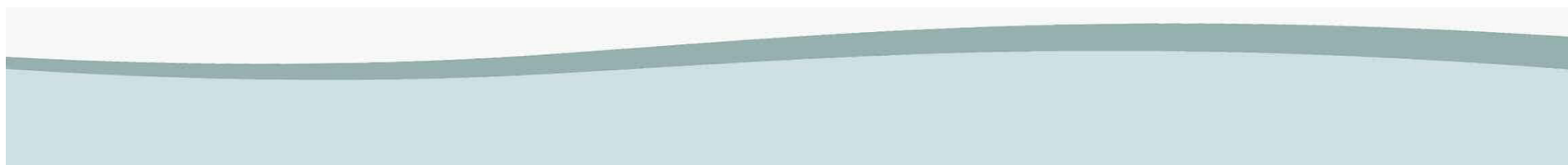
			<ul style="list-style-type: none"> • Move Leasehold & Estates remaining stock lines into FM store and move L&E on SAP - • Relocate Building Services stock lines to Brindley Road and move BS on SAP • Creation of initial Corporate Stock List • Review automated recording solutions for issuing from stores • Establish Parks on SAP and within Shared Stores stock list • Work with SAP development to implement a solution for managing Plant, Tools & Equipment 	<p>Aug 2013</p> <p>Aug 2013</p> <p>Aug 2013</p> <p>Sept 2013</p> <p>Oct 2013</p> <p>Oct 2013</p>	
	Budgetary Control and monitoring	2	<ul style="list-style-type: none"> • To implement an effective system of budgetary control and monitoring • Develop monthly statement of accounts reporting mechanism and disseminate via managers meetings • Review all overheads within Building services and Security Trading accounts 	<p>Sept 2013</p> <p>Sept 2013</p> <p>Sept 2013</p>	<p>Business Manager</p> <p>Business Manager</p> <p>Business Manager & Cleaning & Support Manager</p>

Transport Services Business Plan '13 – '14

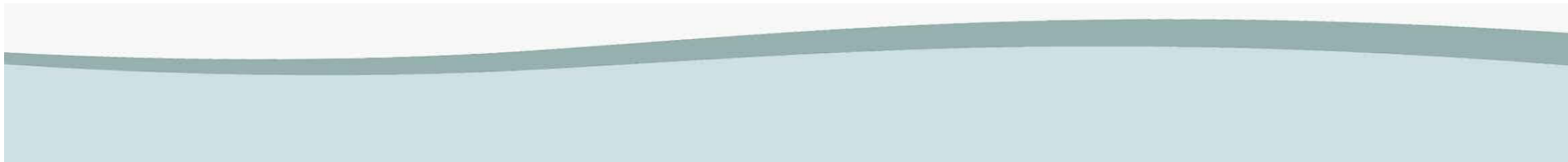


Transport Services – Performance 2012 – 2013

Objective	Target	Qter 1	Qter 2	Qter 3	Qter 4	Overall	Trend	Comments
The percentage of Vehicle utilisation over tracked fleet	90% utilisation	79.78%	76.39%	75.90%	76.24%	77.08%	↓	This objective is dependant on the tracking data. Resistance from Service areas has meant the 90% utilisation figure has not been achieved. Cross utilise vehicles and rolling out the new fleet will assist in improvement to this target.
Reduce spend of £10,000 of operational damage from previous year	£225,714	Actual = £115,521 Target = £56,428	Actual = £231, 233 Target = £112,856	Actual = £312,632 Target = £169,284	Actual = £443,265 Target = £225,712	£443,265	↓	There has been a significant increase on expenditure on damage, due to ageing fleet and lack of training and driver awareness. Implementation of the vehicle trainer post will increase training and awareness ultimately driving costs down.



<p>Reduce the cost of operational breakdowns of £5,000 from previous year</p>	<p>£37,094</p>	<p>Actual = £14, 269</p>	<p>Actual = £28,267</p>	<p>Actual = £46,905</p>	<p>Actual = £73,347</p>	<p>£73,347</p>	<p>↓</p>	<p>Introduction of the Fleet Management is due to take place later on in the year. This will assist in the reduction of the cost on breakdowns.</p>	
<p>Reduce number of overweight incidents by 100 compared to 11/12 (only applicable to Lamby Way Fleet)</p>	<p>1026</p>	<p>Actual= 193</p>	<p>Actual= 402</p>	<p>Actual= 583</p>	<p>Actual= 707</p>	<p>707</p>	<p>↑</p>	<p>Performance against this objective has seen a significant reduction due to closer working relation between Transport Services and Waste.</p>	
<p>Target = £9,273</p>	<p>Target = £18,546</p>	<p>Target = £27,819</p>	<p>Target = £37,094</p>	<p>Target = 193</p>	<p>Target = 402</p>	<p>Target = 512</p>	<p>Target = 583</p>	<p>Target = 707</p>	<p>Target = 1024</p>



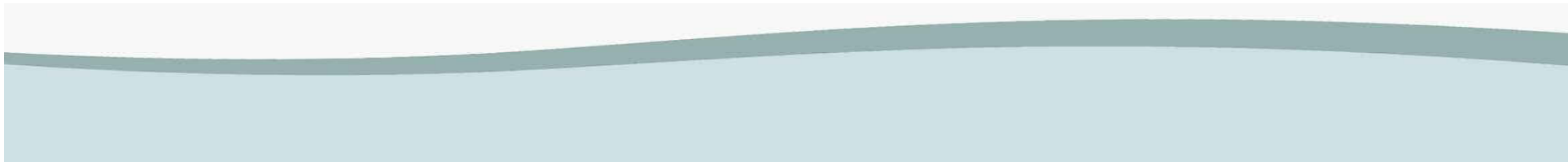
Action Plan - Transport Services

Theme	Objective	Aspiration	Milestone	Date	Responsibility
Making a better future for our city	Review Quality Management System and all environmental procedures for new workshop facility	5	<ul style="list-style-type: none"> • Review and amend where applicable all QMS procedures in preparation for audit via accredited body • BSI accredited auditor to attend workshop to audit QMS and environmental system to ensure compliance as legislatively required. • Retention of accreditation until next scheduled audit • Monitor via monthly workshops inspections 	<p>April 2013</p> <p>May 2013</p> <p>Oct 2013</p> <p>Ongoing</p>	Quality and Compliance Manager
Creating jobs & opportunity for all	Introduce activity to improve driver behaviour	6	<ul style="list-style-type: none"> • Introduction of driver award programme • Deliver driver training to applicable Service Areas in line with annual training • Revise driver policy and handbook 	<p>Dec 2013</p> <p>March 2013</p> <p>Nov 2013</p>	Transport Operations Manager

	Improve continuity of service through development of apprenticeship programme	6	<ul style="list-style-type: none"> • Review and identify priority skills needed • Agree timescales for selection • Recruit apprenticeship 	<p>April 2013</p> <p>May 2013</p> <p>Sept 2013</p>	Workshop Manager
Helping those that need it most					
Working together for the city and region					
Working smarter and better	FMIT Implementation	2	<ul style="list-style-type: none"> • Working group to discuss procurement process and different savings that can be achieved. • Procure new system • Agree connection, review of business process with interface and SAP and implementation • Order to be placed • Implement software and training 	<p>Monthly</p> <p>April 2013</p> <p>May 2013</p> <p>May 2013</p> <p>Aug 2013</p>	Fleet Manager

			<ul style="list-style-type: none"> • System to go live • Review fleet data 	<p>Oct 2013 Jan 2014</p>	
	Review the efficiency of pool cars and hire desk	2	<ul style="list-style-type: none"> • Review current process, usage of vehicles and charges • Agree Changes • Implement and communicate changes to organisation 	<p>June 2013</p> <p>Aug 2013 Aug 2013</p>	Fleet Manager
	Implementation of Fleet Contract	2	<ul style="list-style-type: none"> • Working group to discuss procurement process • Agree and highlight savings opportunities • Immediate savings opportunities identified and existing frameworks utilised • Implement procurement process • Contract to be agreed/sign off • Carry out tender process • Contract to be awarded • Consult with Services areas of vehicle requirements • Implementation of fleet replacement 	<p>Monthly</p> <p>June 2013</p> <p>Aug 2013</p> <p>Sept 2013</p> <p>Oct 2013</p> <p>Feb 2014 March 2014 March 2014</p> <p>April 2014</p> <p>May 2014</p>	Fleet Manager

			<ul style="list-style-type: none"> • Savings to be identified and reviewed 		
	Develop Transport Policy	2	<ul style="list-style-type: none"> • Consultation and approval of business case for new policy • Compile the required and suitable data and information • Final sign off of document • Communicate policy to all service areas • Review 	<p>May 2013</p> <p>July 2013</p> <p>Oct 2013</p> <p>Nov 2013</p> <p>Ongoing</p>	Fleet Manager



CTS & FM

Performance Data

November
2013



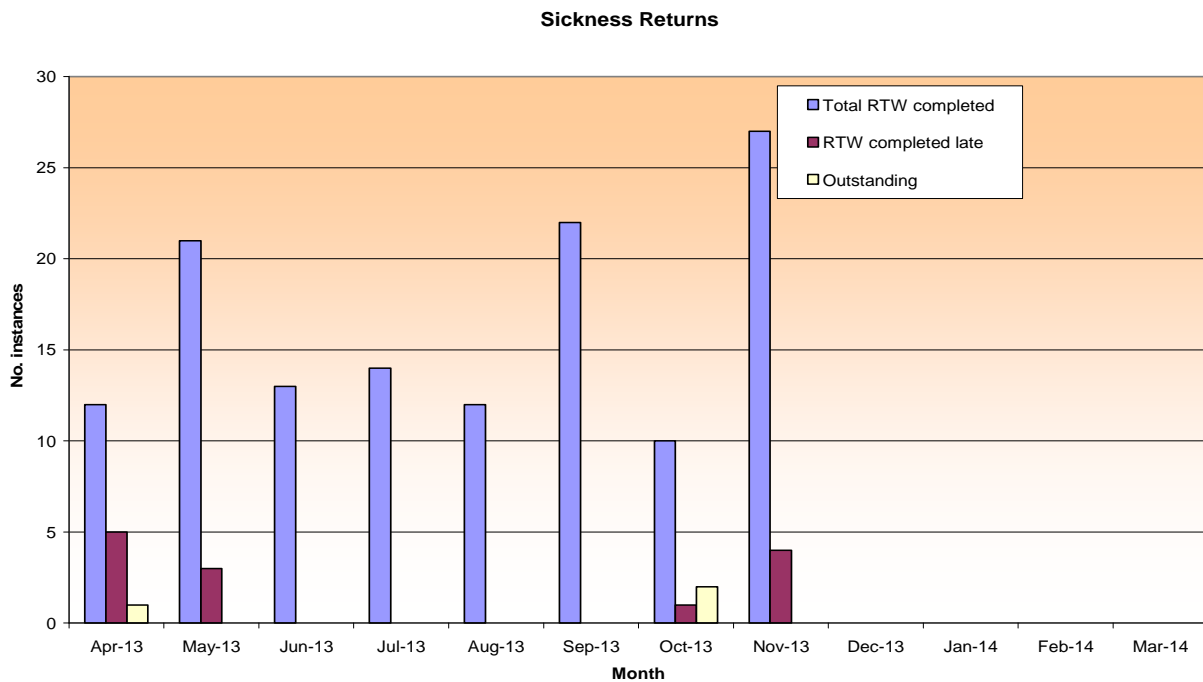
Sickness

Sickness reports are run every month via Digigov. The Operations team review the data capturing any missed return to works or missed triggers that have not been carried out as shown below. If these have not been carried out, this highlights that Managers have not conducted the relevant interviews and is a prompt to ensure it is completed.

Number of sickness occurrences for November

Cleaning & Support Services	Building Services	Buildings Support	Business Support	Transport Services	Total
13	7	5	6	7	38

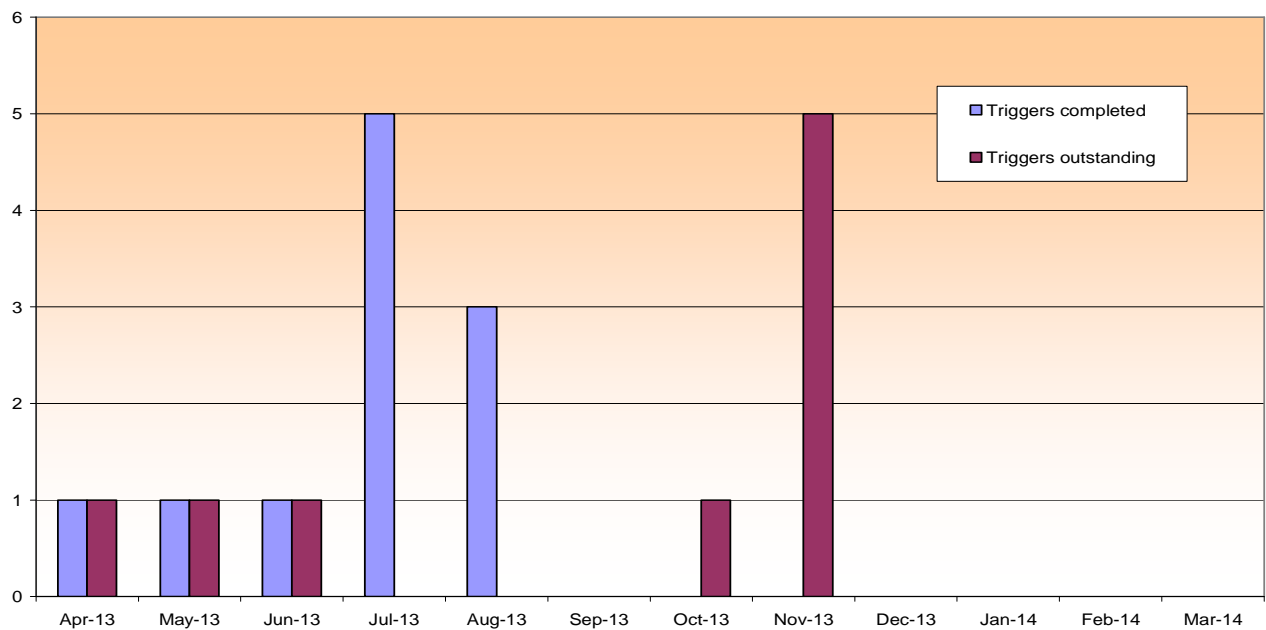
Returns to Work on time/ late or outstanding and Breakdown by team.



	Buildings Support	Building Services	Cleaning Services	Business Support	Transport Services	Total
RTW completed on time	4	4	6	4	5	23
RTW completed late		2	2			4
Total RTW completed						27

Missed Triggers and Breakdown by team

Missed Triggers



	Buildings Support	Building Services	Cleaning Services	Business Support	WOM and Finance Team	Transport Services	Total
Triggers completed							0
Triggers outstanding	1		1	2		1	5

Performance Indicator	Target	Quarter 1	Quarter 2
Sickness Target of lost days per FTE CTS	7.37 days per person	7.99	17.88
Sickness Target of lost days per FTE FM	13.77 days per person	7.16	13.32

CTS -

Historically within CTS and operational parts of the Council, sickness reporting was not undertaken consistently, hence the target would have been based on inaccurate figures for previous years.

FM -

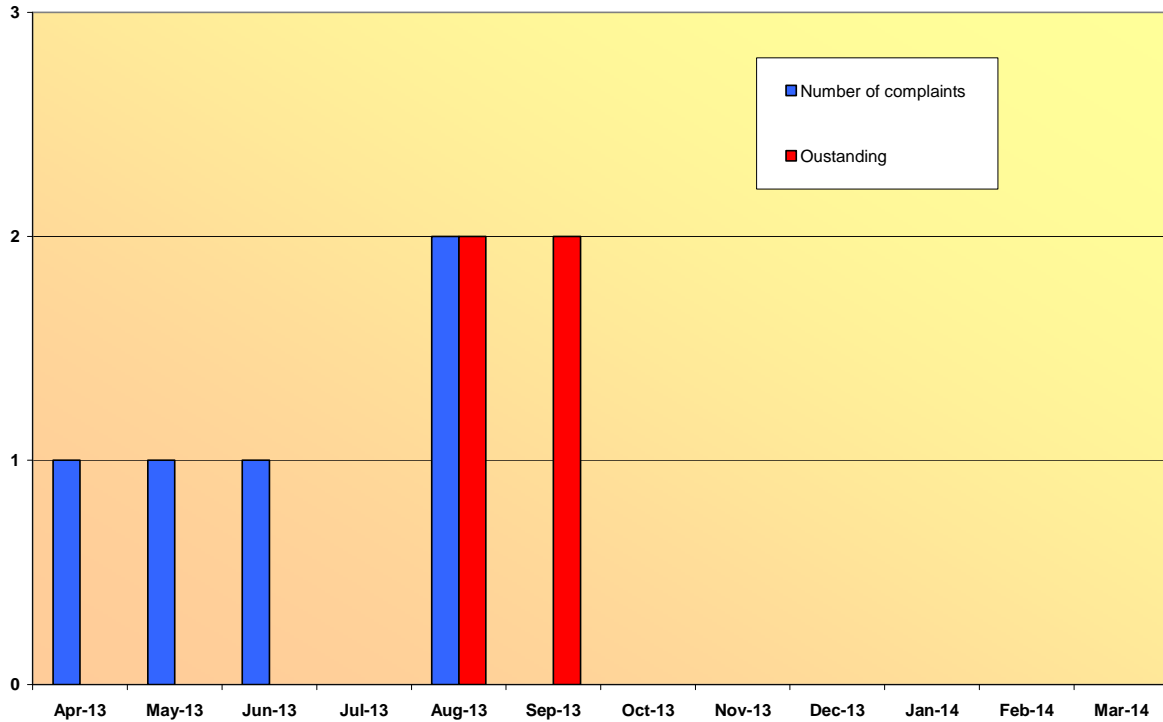
FM are currently just under the target that has been set after two quarters, however they will exceed the target by the end of the year. There are a number of reasons that contribute to this, the most significant being the delay of the restructure which has led to high level of anxiety/uncertainty amongst staff.

An additional issue across CTS & FM is the accuracy of the records within Digigov. A review needs to be undertaken to ensure correct staff are identified within the correct teams.

Business Support

Complaints

CTS/FM receives very few external complaints due to the functions being internally focused.



Internal Complaints

Processes for internal complaints have only commenced since September and are prominently focused on Building Services. This does highlight issues with processes and assists in improving customer service

Team	Sept	Oct	Nov
Transport Services	0	0	0
Service Delivery	0	0	0
Building Services	1	3	13
Business Support	0	0	0
Cleaning & Support	0	0	0

Compliments

FM	Building Admin – Jane Greening, Dave Clark & Gary Flowers	21.11.13	Head of Protocol	Thanks given to the team for their contribution toward making the Lord Mayor’s new accommodation such a success. When they met with him he was absolutely delighted with the room. Without the commitment from the team, they could not have achieved it.
FM	Building Admin – Dave Clark	26.11.13	Transformation office	Thanks to Dave Clark for installing carpet tiles in the major projects room, Courtyard. It looks excellent & has saved the team some money
FM	Building Services	10.12.13	Steve Davis Headteacher Willowbrook	Want to reiterate my real satisfaction with the quality of the toilet refurbishment being done at the minute; the professionalism of the men, their tact, sensitivity and commitment have been recurring features of their (unobtrusive) presence. Logistically, carrying out toilet refurbishment in the busyness of a school term could have presented us with huge challenges, but I am really thankful that the process has run so smoothly and this is in no small part due to the approach the men have taken in completing the work involved. I would be grateful if you could pass on my thanks to them all. If there is price compatability (!), I would be more than keen for them to carry out the works involved here in relation to the detail mentioned below.

Accidents

Awaiting accidents stats from Health and Safety, however as far as we are aware nothing has been reported.

Risk Assessments

Risk Assessments are monitored and recorded centrally to ensure compliance. The high amount of outstanding risk assessments is due to the transfer into the new corporate format.

Non compliant Risk Assessments

	Building Support	Building Services	Cleaning & Support	Business Support	Transport Services
September 2013	0	99	0	0	0
October 2013	0	99	0	1	0
November 2013	13	79	0	0	0

PPDR Compliance

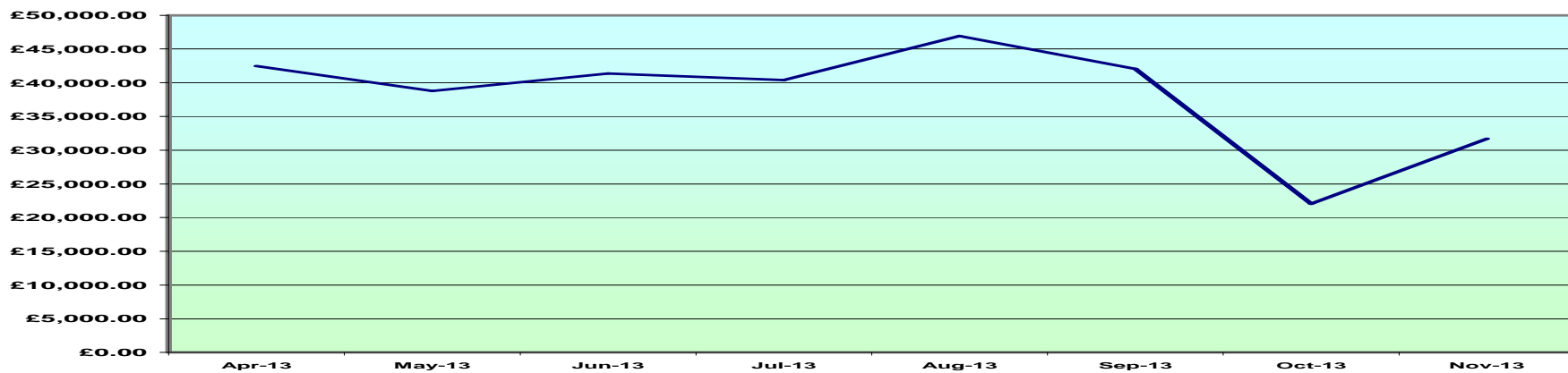
Number/ type of PPDR's that are outstanding within the teams of CTS/FM. The main issue with non compliance is within Cleaning and Support. The challenges for the team is due to staff being spread across the city in numerous buildings. These staff generally work alone or in small teams, outside normal working hours and have no access to a PC.

A further issue identified is that staff who received PPDRs but have now been slotted or recruited to posts within the new structure are showing as outstanding, even though the PPDR has been complete.

Team	Finalisation of objectives 12/13	Half yearly reviews 13/14
Transport Services	1	33
Building Services	23	54
Service Delivery	21	20
Cleaning & Support	99	251
Business Support	5	13

Overtime Costs

Team	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Total
Cleaning	£8,424	£6,104	£12,989	£9,597	£9,333	£4,274	£113	£11,562	£62,396
Security	£9,062	£11,200	£10,631	£7,721	£18,318	£25,912	£12,102	£8,764.55	£103,711
Building Services (Trade)	£4,116	£2,484	£1,408	£8,879	£3,558	£1,281	£1,373	£2,821.96	£25,921
Building Services (Tech admin)	£529	0	0	0	£1,560	£480	£160	£112.21	£2,841
CTS Workshops	£18,359	£16,787	£13,997	£12,585	£12,697	£9,092	£7,773	£7,775.84	£99,066
Building Support	£1,990	£2,224	£2,357	£1,598	£1,465	£1,027	£544	£653.20	£11,858
	£42,480	£38,799	£41,382	£40,380	£46,931	£42,066	£22,065	£31,690	£305,793



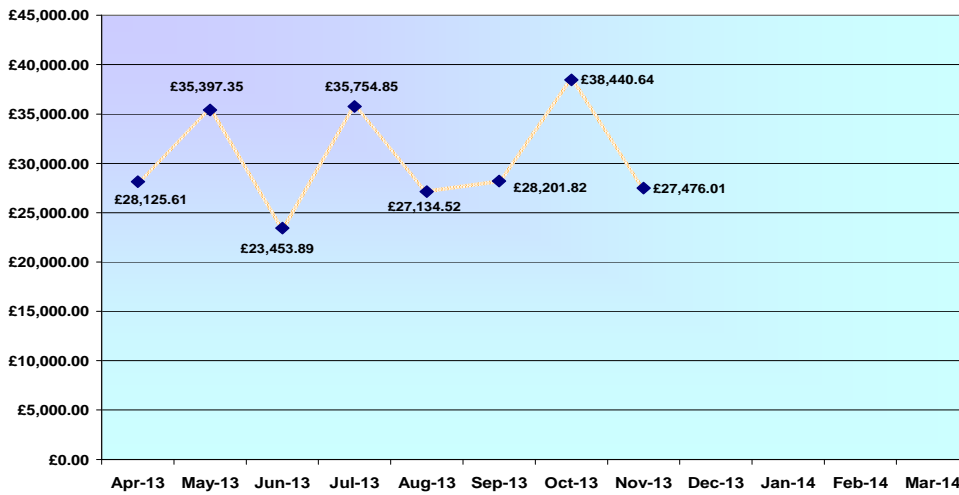
The highest overtime spend is predominantly within Cleaning and Security services, who work outside normal working hours and support function and events.

Agency Costs

Levels of Cardiff works spend are due to the high level of vacant administration posts that have not yet been recruited to as part of the structure.

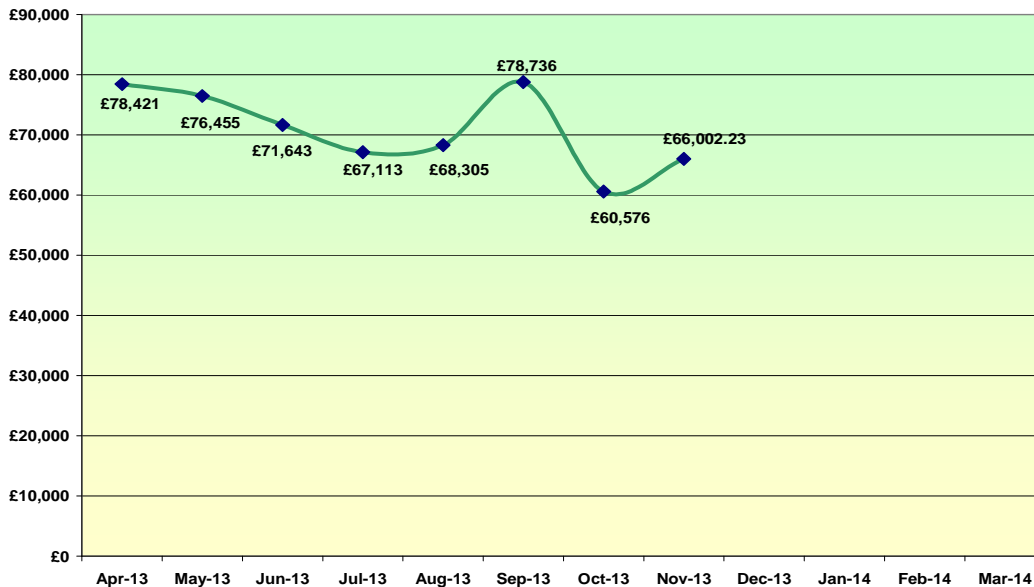
Cardiff Works

Costs to date 13/14 = **£243,984.69**



Comensura

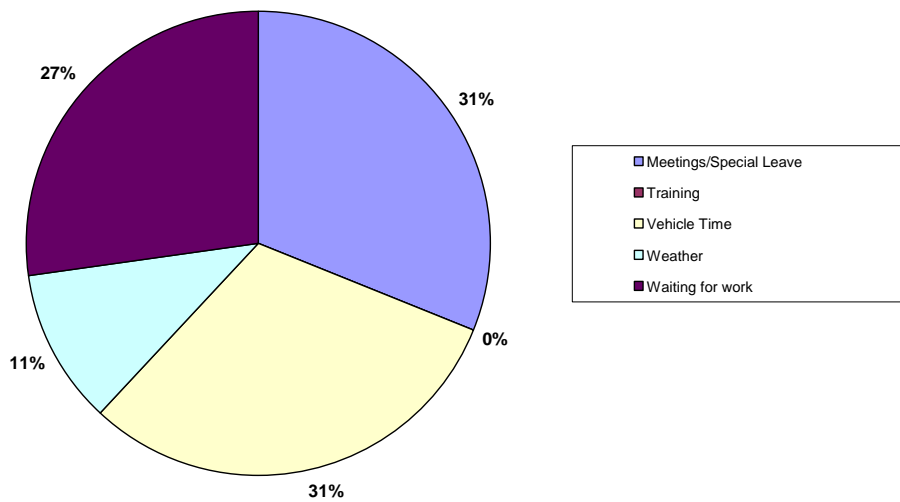
Costs to date 13/14 = **£567,251**



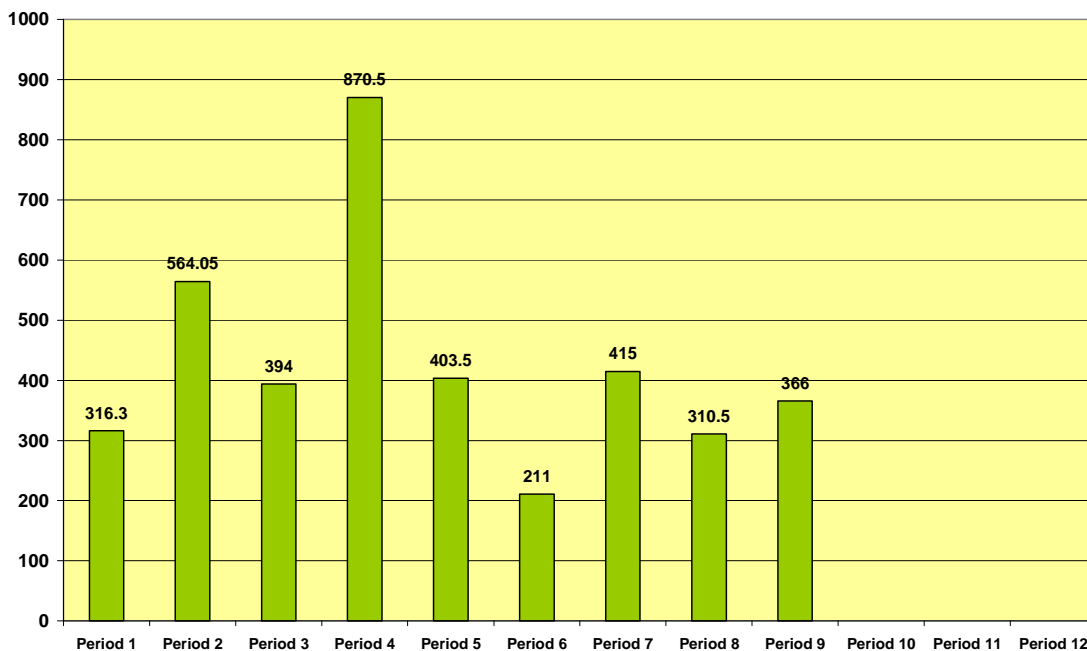
Building Services – Lost Time month 8

This information is vital to ensure that issues that prevent the workforce being utilized to maximum capacity are addressed.

Period: 11.11.13 – 8.12.13
 Available working hours: 4950 hours (based on 33 Trade Staff)
 Total lost time: hours
 Percentage lost: 7%



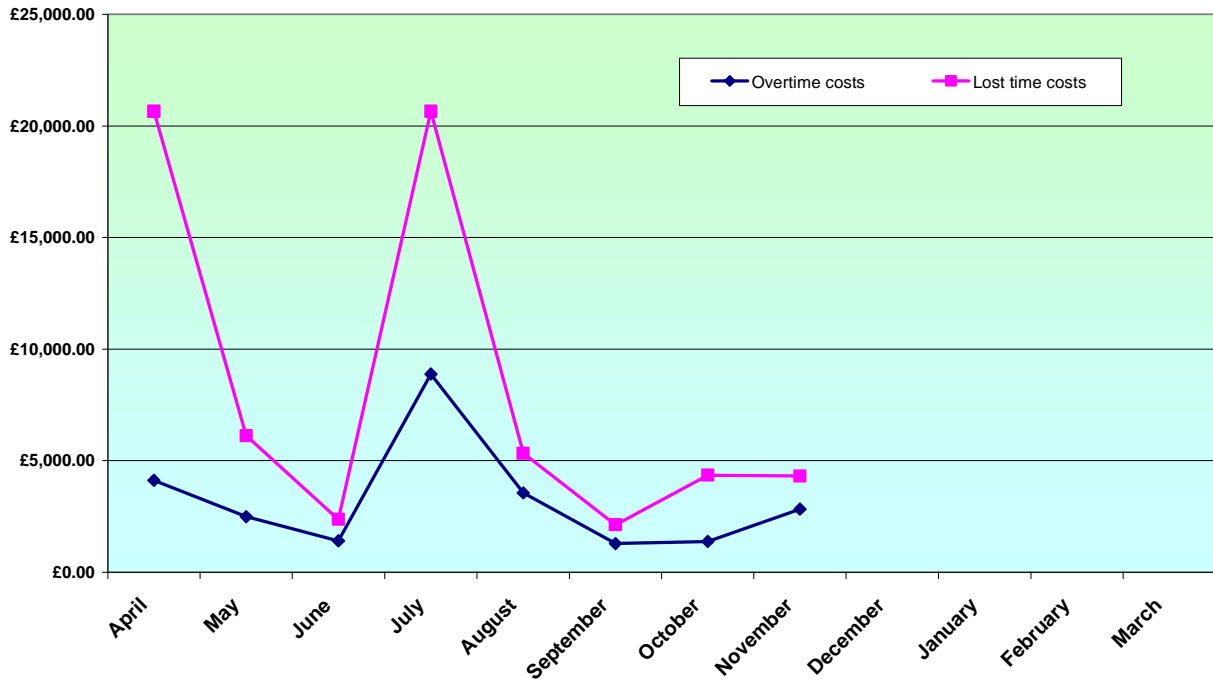
Lost time per month to date for 13/14 (Total this year - 3850.85)



Overtime v downtime – Building Services

Overtime to date - £25,921

Lost time to date -£65,896



Service Desk

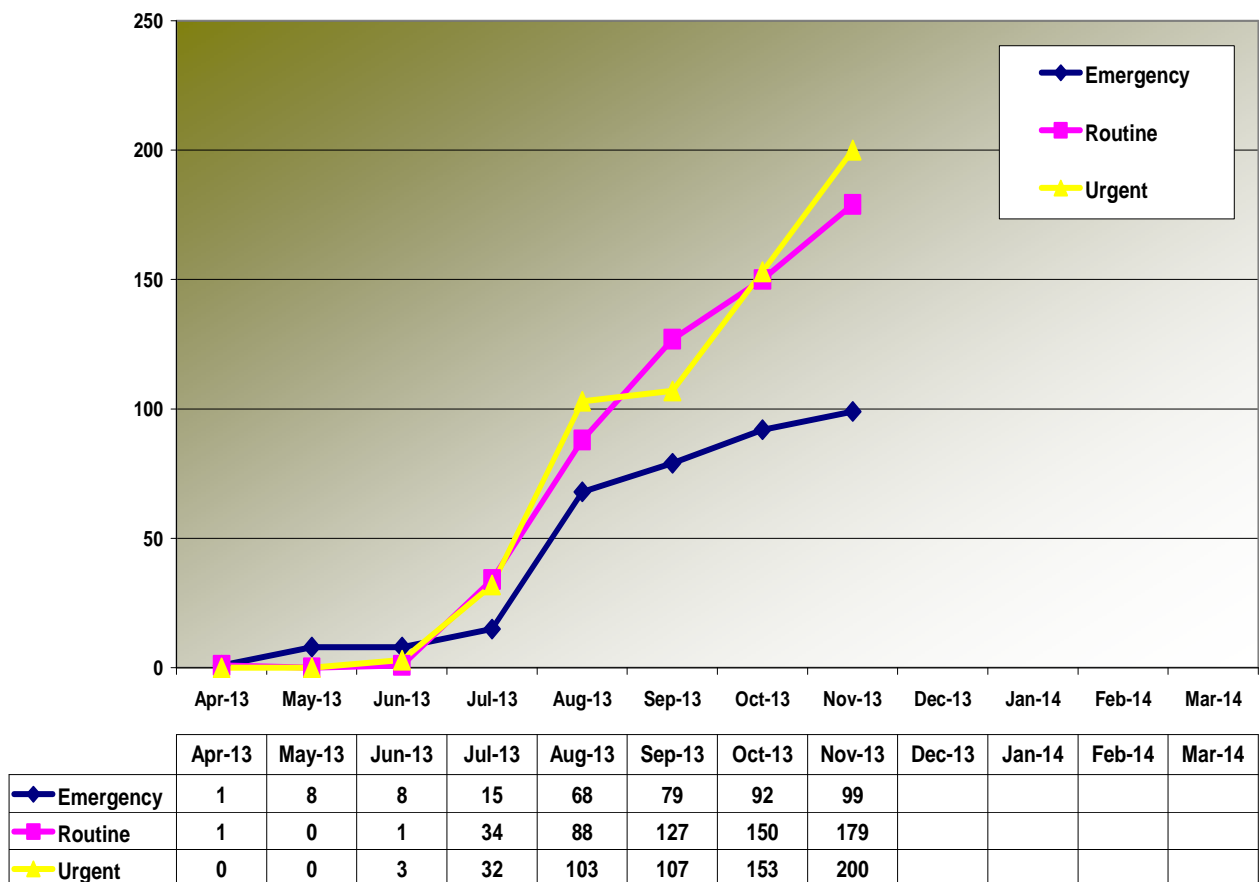
This section analyses the type and number of service desk calls that are received with Building Services (hard), Cleaning and Support and Service Delivery (soft) within our core buildings (County Hall, City Hall, Wilcox & Global Link)

Stats can show how well the teams are performing within the SLA that has been set to our customers.

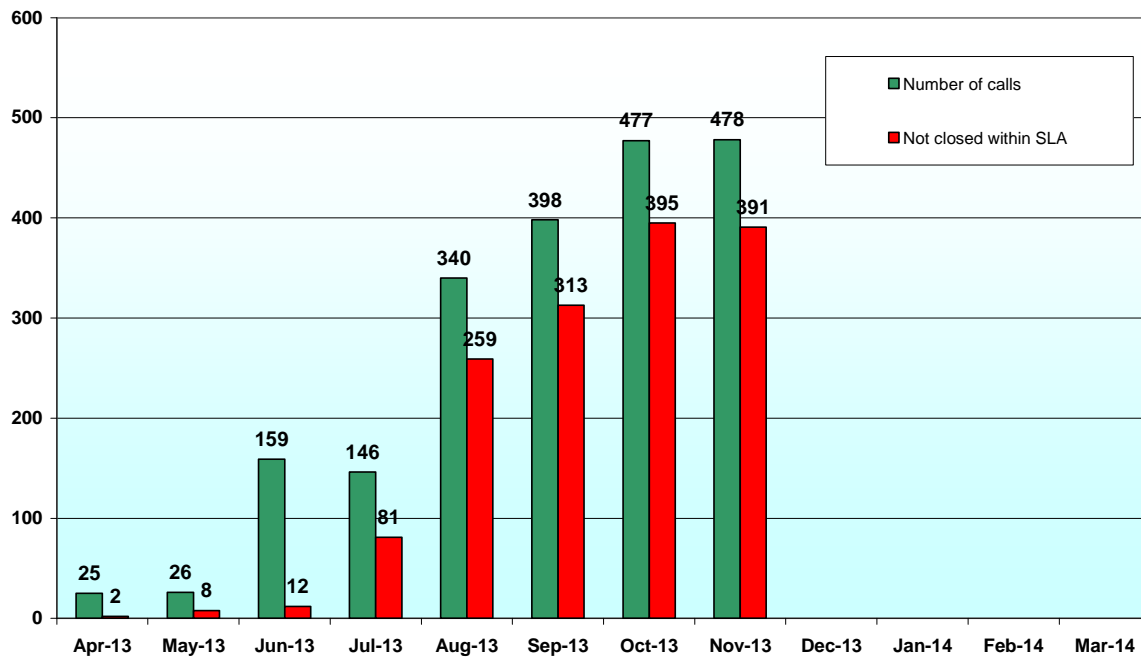
Building Services - Hard

The below graph shows the number of calls logged via the service desk for emergency, urgent and routine requests along with the number of calls not closed within the SLA

Type and number of service calls received to date



The below graph shows the number of calls that have been received to date and that have not been closed within the SLA.

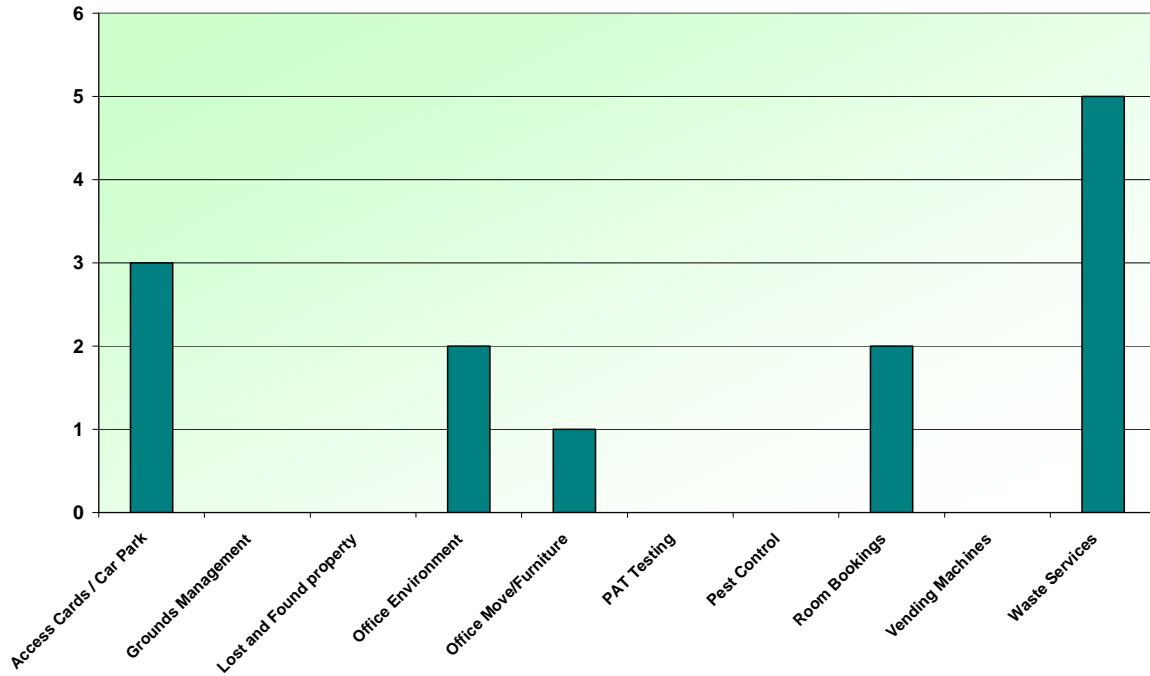


There are number of reasons for the high volume of Building Services calls not closed within the chosen timescale.

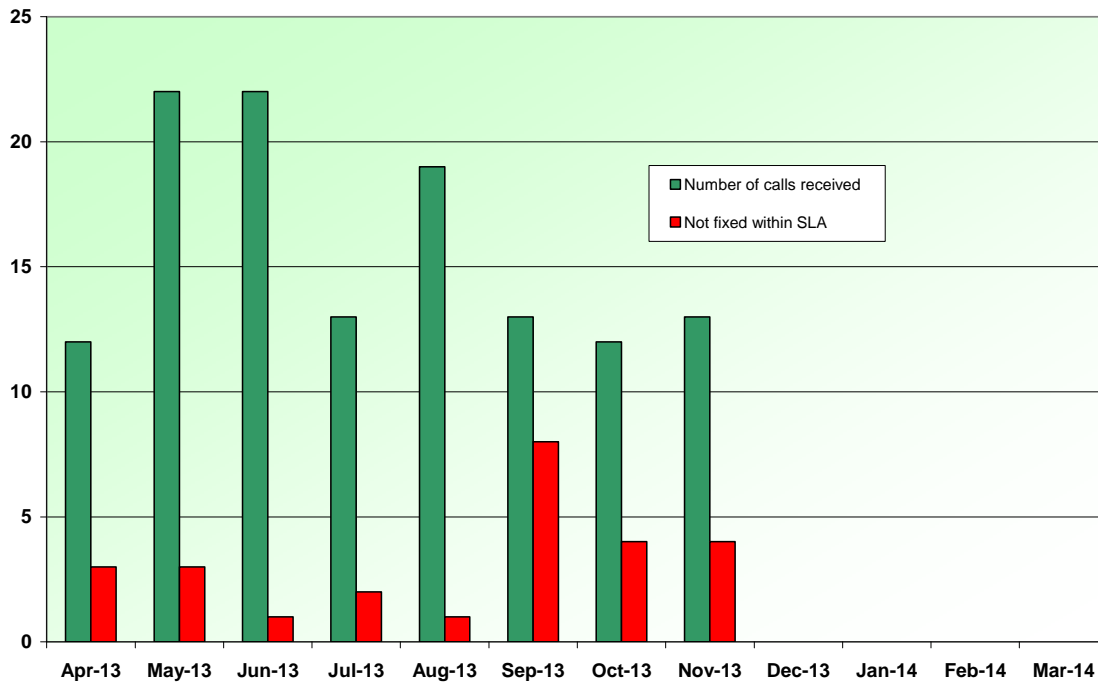
Implementation of new processes and training are to be undertaken, it is anticipated this will result in a continual improvement over the next few months.

**Soft
City Hall**

Service Desk calls received in November

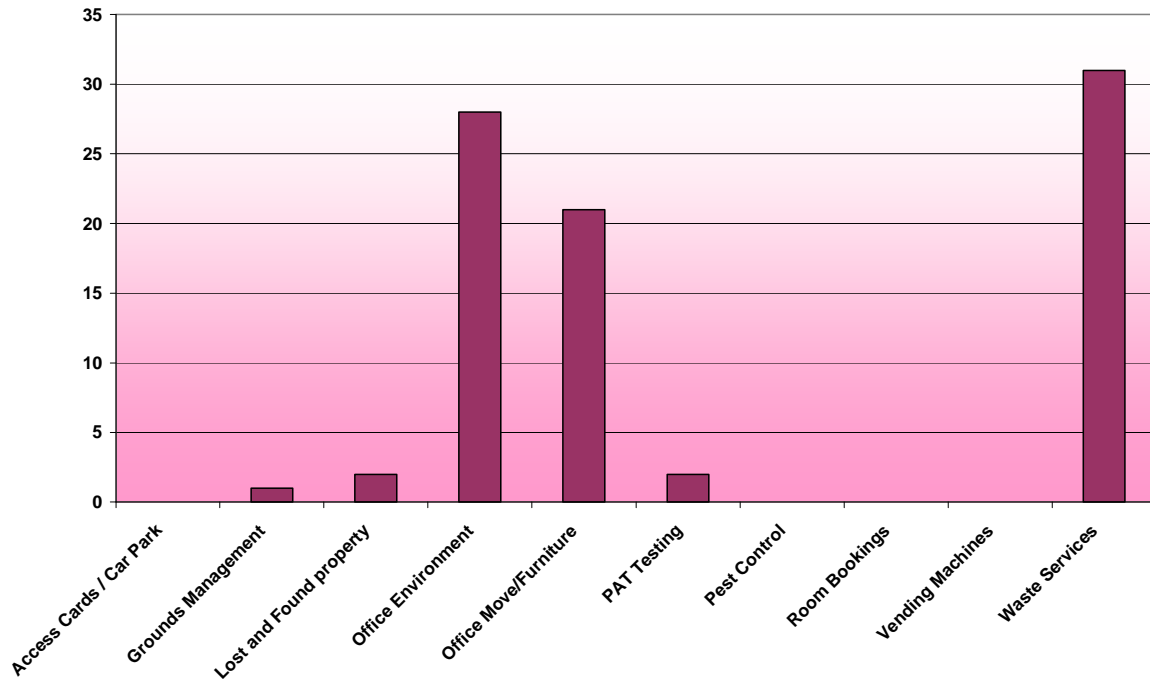


Calls not fixed within the SLA (5 Days)

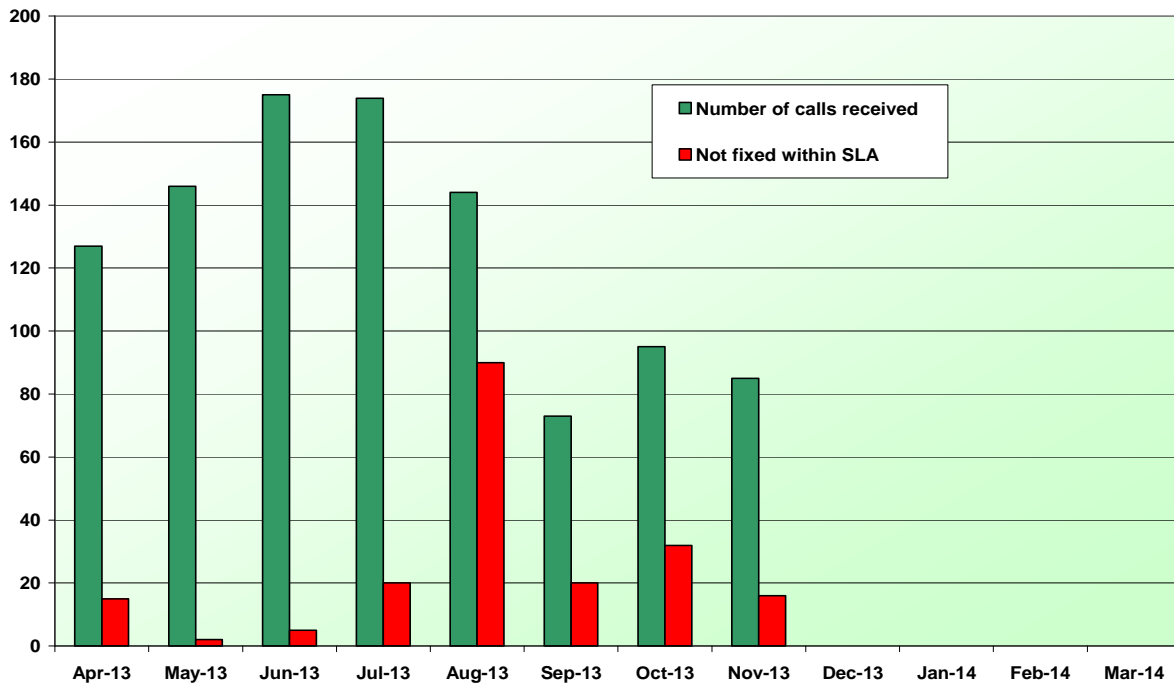


County Hall

Service Desk calls received in November

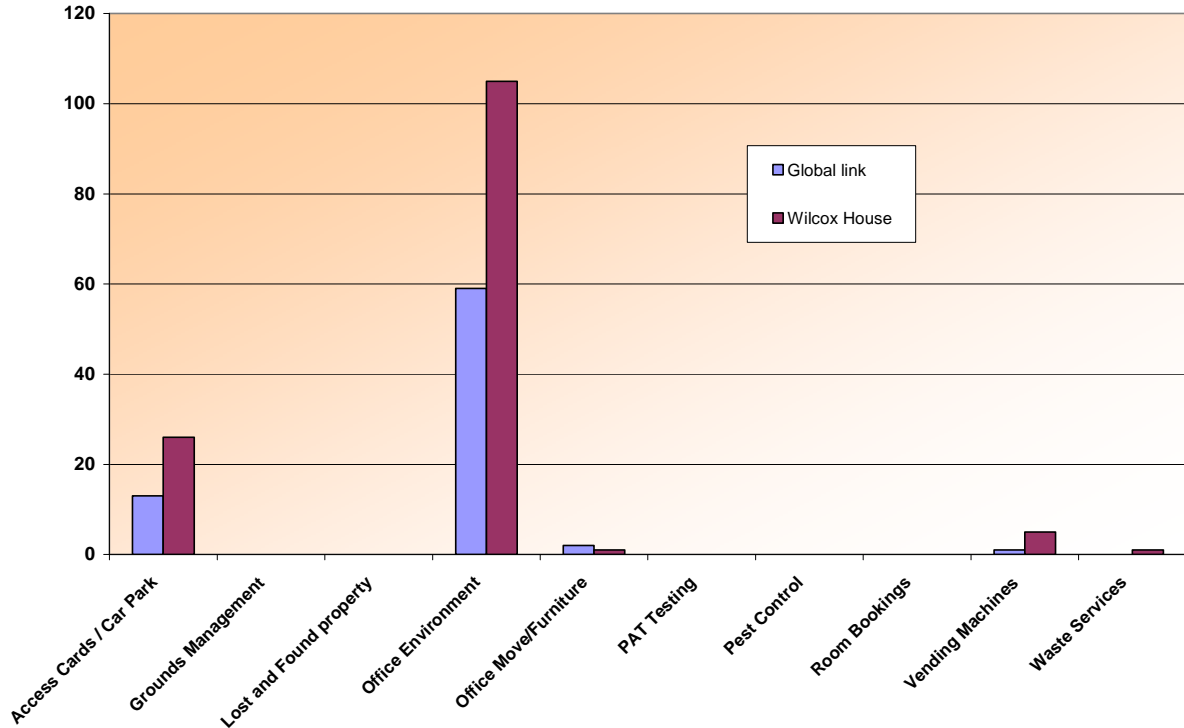


Calls not fixed within the SLA (5 Days)



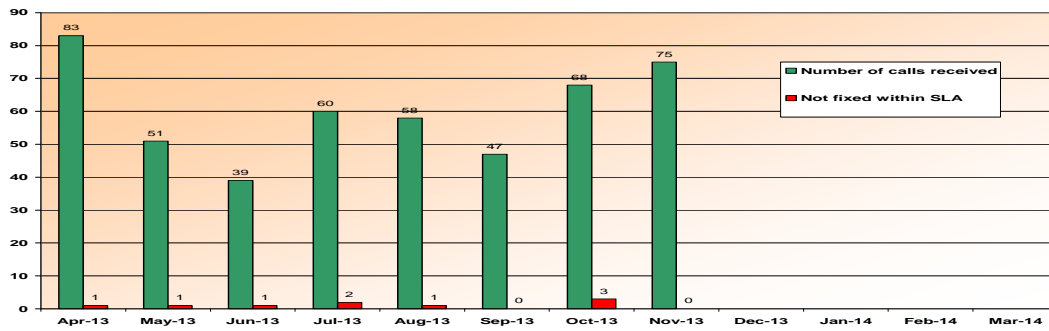
Global Link and Wilcox House

Service Desk calls received in November

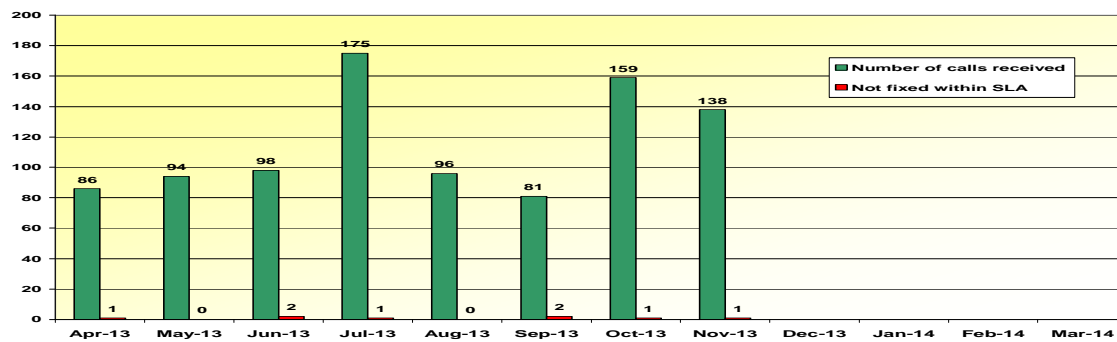


Calls not fixed within SLA (5 days)

Global Link

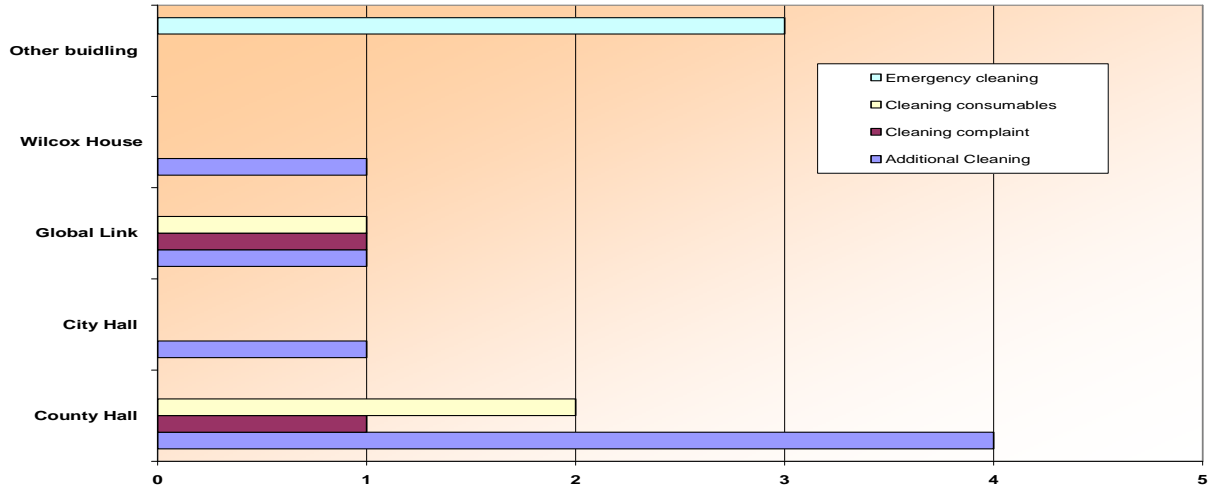


Wilcox House

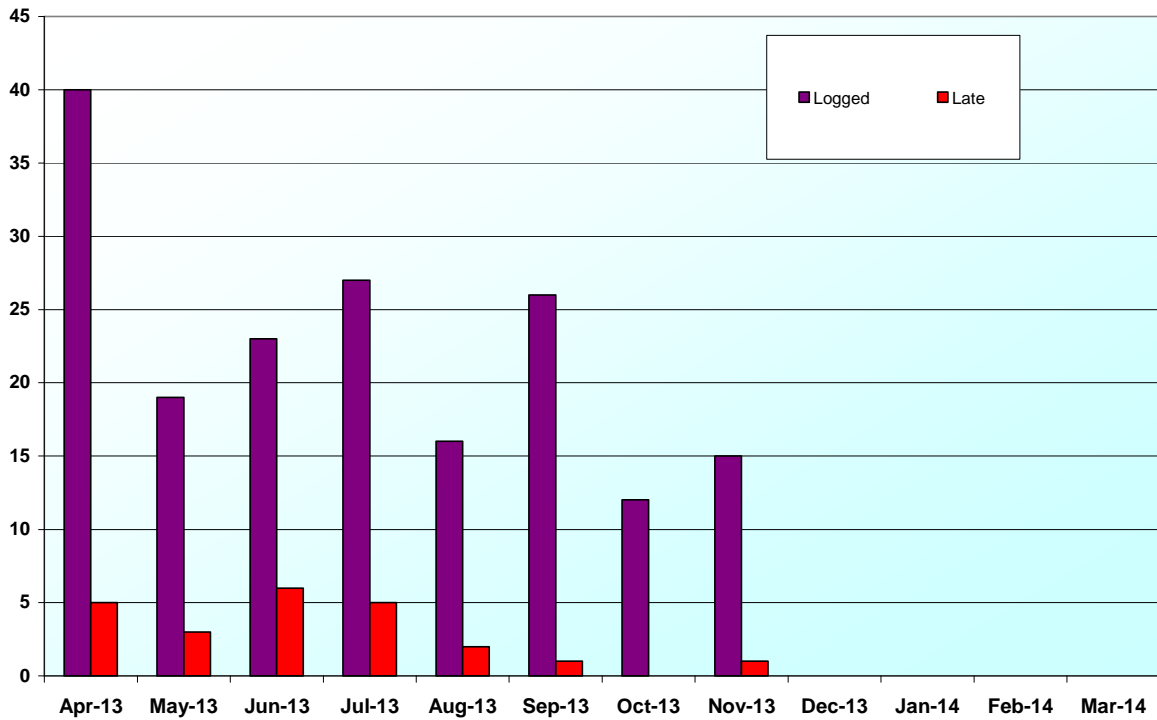


Cleaning

Service desk calls received in November



Calls not closed within SLA (5days)

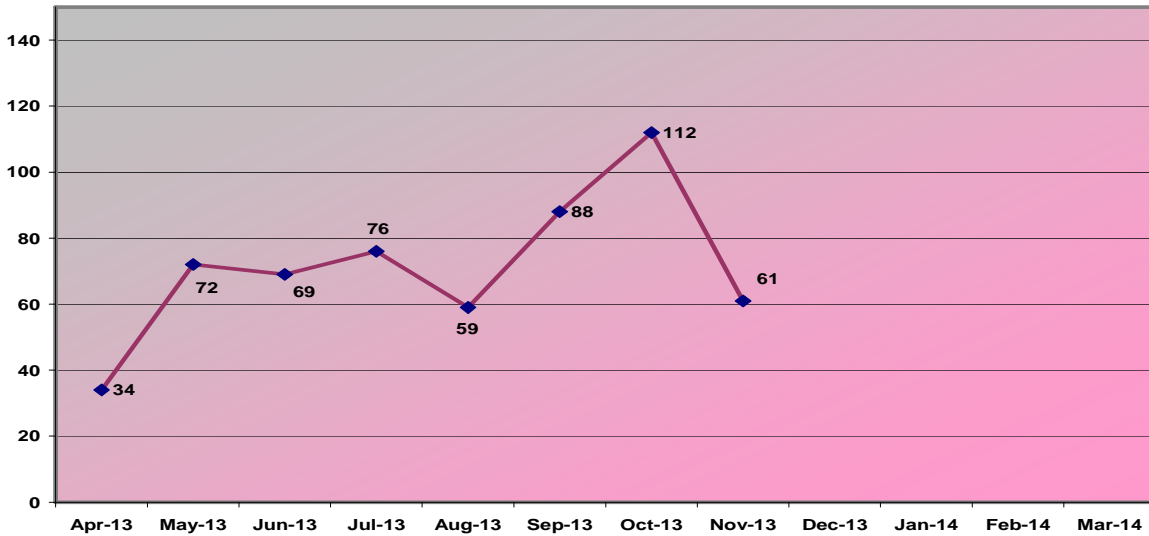


Central Transport Services

MOT'S

To date we have generated **£19,907** of income based on the number of MOTs the new workshop has carried out.

13/14 - 571 MOTs carried out

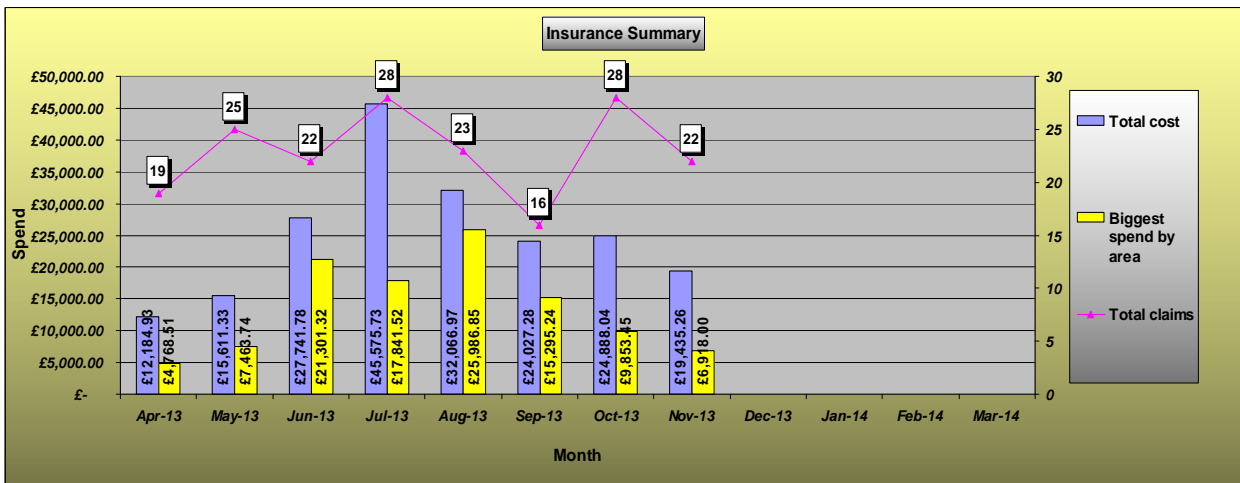
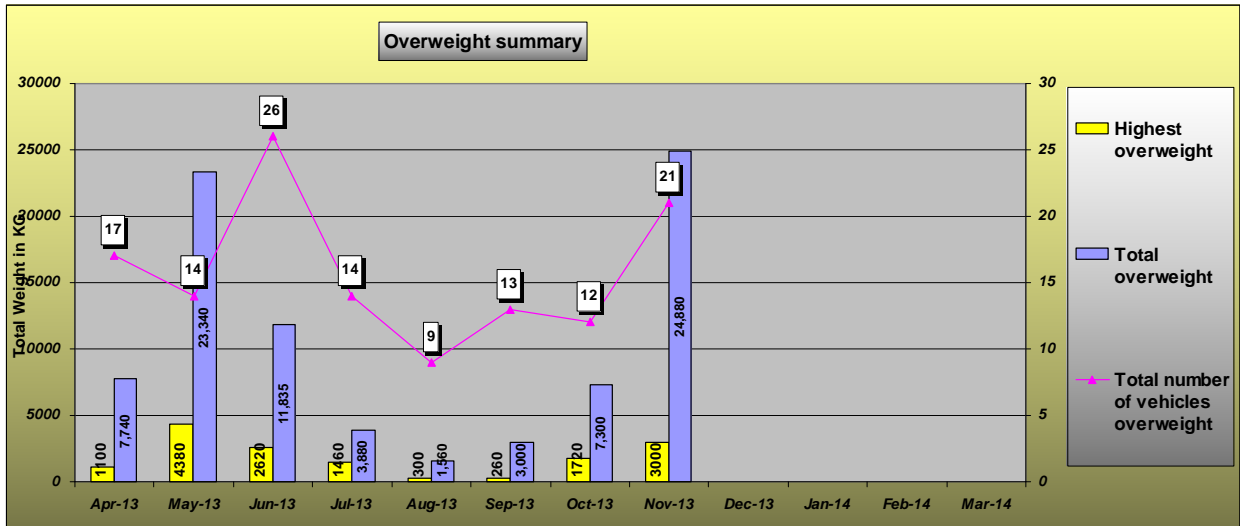


The drop in the number of MOT from October to November was anticipated as there are three peak times during the year where we would expect to see an increase in the numbers.

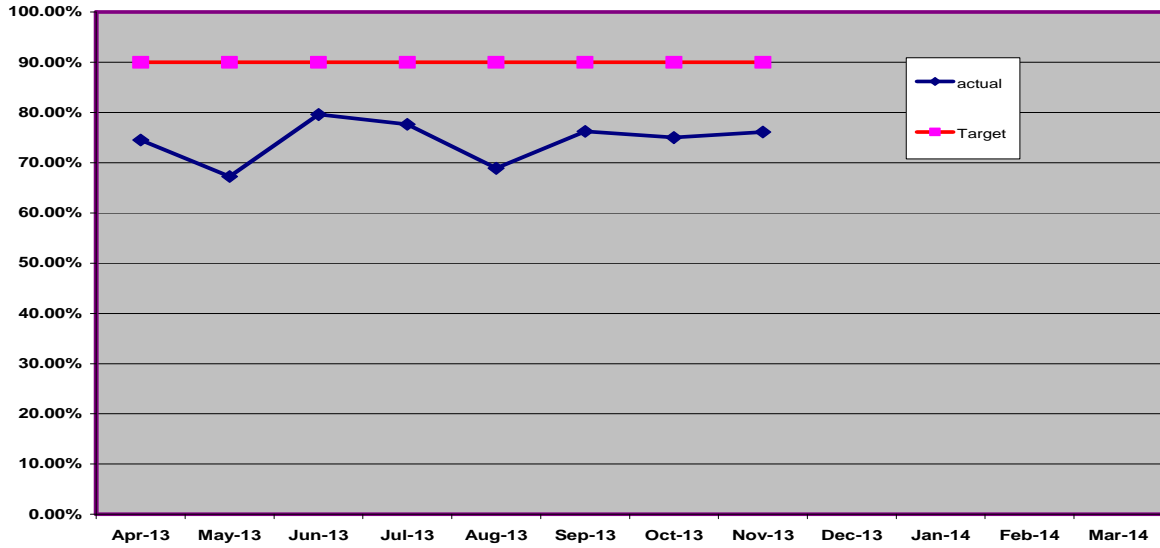
ATF Lane

Now we have the facilities to carry this service out, as of January we will be reporting the number of vehicles that are scheduled per month in the workshop.

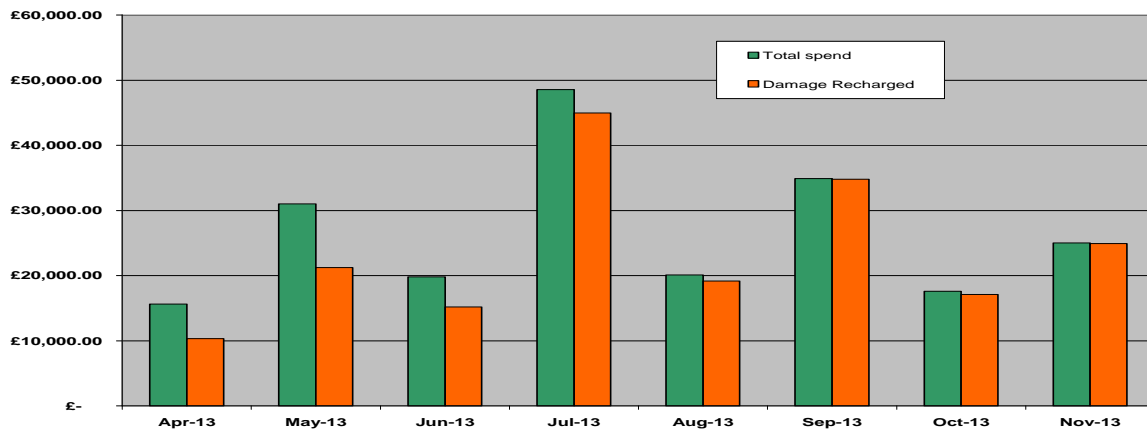
The following graphs capture performance across the fleet. This performance is provided and broken down to all service areas. The ability to achieve targets is reliant upon service areas as well CTS.



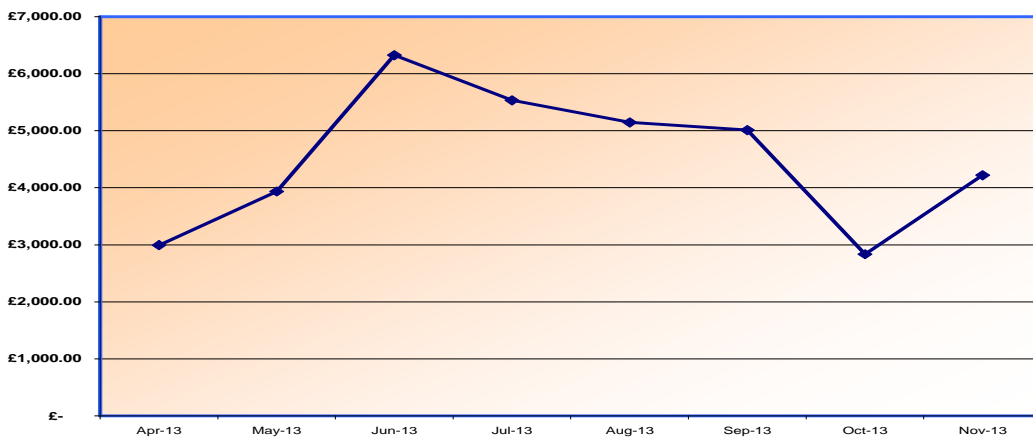
Below you can see our target of utilization is 90% across all fleet. We have yet to achieve this in 13/14



Operational damage



Operational breakdowns



Cardiff Council



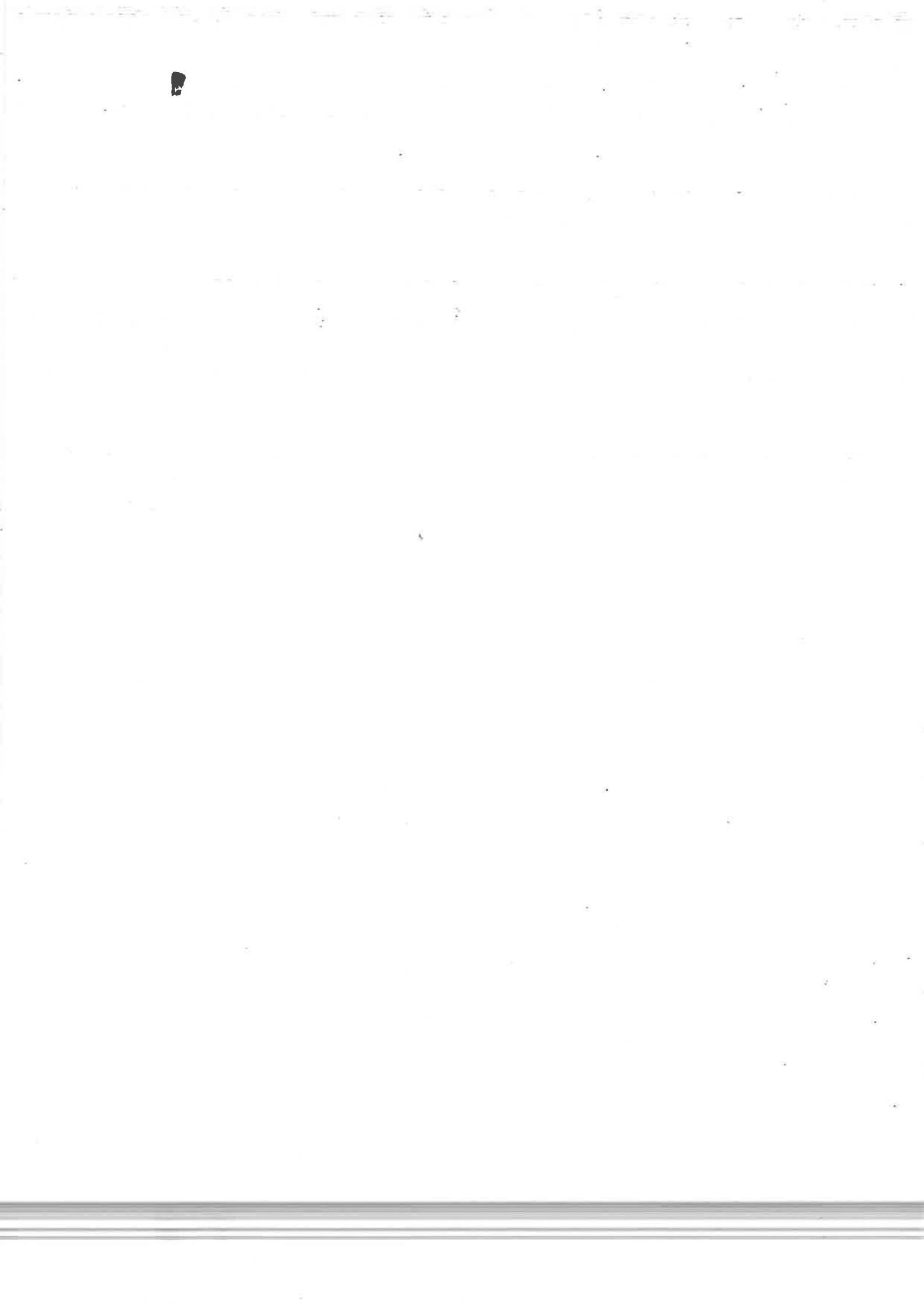
No	Saving	Proposed	Accept	Reject	Residual Risk	Achievability	Equalities Impact Assessment	Projected Saving at Month 3	Potential Saving Shortfall at Month 3	Projected Saving at Month 6	Potential Saving Shortfall at Month 6	Comments
		£000	£000	£000								
207	Central Transport Services (CTS) Category Management Fleet Spend - full year effect of 2012/13 saving against external spend in this area.	77	77	0	Green	Green	Green	0	77	0	77	
219	Central Transport Service (CTS) Category Management Fleet Spend - comprises savings on service area fleet utilisation, vehicles travelling home, converting short term hire vehicles to long term hire, implementation of new fleet contracts, savings on utilisation of bespoke fleet management system to provide transparency and identify areas of issues and savings on tyres due to a rolling fleet replacement program and increased visibility on use and reasons for tyre replacement.	507	507	0	Red-Amber	Amber-Green	Green	0	507	0	507	The shortfall reflects delays in the fleet replacement and reduction programme and other CTS initiatives. These initiatives, including the vehicle replacement programme, renegotiating existing leases, reviewing vehicles taken home and opportunities for other contract savings will continue to be progressed with any in-year savings achieved reflected in future monitoring reports.
220	Control of Short Term Hire & Grey fleet - by the introduction of mileage authorisation and claims for payment via Digi gov greater control on private vehicle usage is in place. Currently the projection of spend for the current year has reduced by 25% achieving the £240k saving. Further controls being put in place on how staff travel from one location to another via the pool car hire desk will drive out further savings.	240	240	0	Red-Amber	Amber-Green	Amber-Green	240	0	240	0	
224	Central Transport Service / Facilities Management centralisation of compliance activities - these teams are currently working together but not sharing roles, duplications are occurring which will be reduced as training and shared knowledge occurs. Two post deletions are involved, one is currently occupied but the member of staff is ring fenced for a new post on a slot and matching exercise.	91	91	0	Red-Amber	Green	Amber-Green	91	0	91	0	
237	Improving Driver Behaviour - by improving driver awareness in areas such as Insurance Claims, Driver Performance Management via tracker information giving details on harsh breaking and hard acceleration, speed control and its impact on vehicle costs this will drive out savings in fuel and insurance expenditure (currently £650k pa). Management controls in these areas will result in fuel reduction (5%), tyre replacement, excess wear and requirement of additional maintenance along with reduction in vehicle damage (10%). Introduction of a driver award programme along with further training, revised driver policy and driver handbook will establish an acceptable level of how a driver should use the Council's vehicles. This will need a six month introduction/consultation from January to June so nine months savings could be achieved in 2013/14.	250	250	0	Amber-Green	Amber-Green	Amber-Green	0	250	0	250	Any costs and other poor driver behaviour which cannot be met from insurance are currently met by service areas, Therefore it is difficult for the Resources Directorate to identify and realise the anticipated saving. Some councilwide savings may be achieved through a reduction in repairs, lower fuel use and uninsured costs.

Directorate	Finance & Economic Development
Directorate Proposal – Title	Preparing a Business Case to test the viability of CTS becoming a Trading Company.

Description of the Directorate Proposal	<p>The Central Transport Service moved into new premises in Coleridge Road in 2013 which were funded on an Invest to Save basis. The assumption being that the Service would repay the c£9m loan through surpluses to be gained through its revenue account.</p> <p>There seems to be an assumption, wrongly, that the Service can be 'commercialised' simply because it can 'charge' for its services.</p> <p>CTS is currently operating under the Local Authorities (Goods and Services) Act 1970 which restricts its ability to 'trade' to other public bodies. As the depot has an approved MOT lane it is also able to carry out private MOT's.</p> <p>CTS is actively seeking new business from public bodies and is in discussions with SW Fire and Rescue Service and SW Police on providing small scale arrangements. However, both organisations have their own garages to maintain their vehicle fleet and SW Police is collaborating with Bridgend Council to build a new jointly funded garage.</p> <p>In recent months CTS has made great strides to improve its trading position within the restrictions placed upon it. For example it is:</p> <ul style="list-style-type: none"> • Offering MOT's (but not repairs) for Council staff. • It has produced a Marketing Plan for its 'cost recovery' facilities. • It has entered into an agreement with VOSA which enables it to prepare and present heavy goods vehicles for MOT. • Ongoing discussion in respect of securing business from SW Fire Service and interim business with SW Police. <p>These activities along with tighter financial controls are helping to build a sustainable customer base.</p> <p>A power to trade for profit is contained in the Local Government Act 2003 but the power must be exercised through a company. Any support from the Local Authority to the company is subject to the rules on state aid and therefore would have to be available on usual commercial terms. Being a separate legal entity the Local Authority would not be able enter into contracts with the company for services without going through a procurement exercise because it would be trading significantly with other bodies.</p>
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	<p>Before embarking on trading under these powers the Order requires local authorities to prepare a detailed business case and for that business case to be approved by the Council before trading starts.</p> <p>In accordance with best practice a business case is recommended in any event for the purpose of determining the best option for delivering the services when considering possible alternative models.</p> <p>Accordingly, developing a business case for CTS activities will help to establish the most appropriate form for taking forward the business of CTS including any form of Company for trading.</p> <p>Other options which would be considered in the business case are likely to include transferring Central Transport Services to an existing (private sector) company or procuring a joint venture.</p> <p>The financial benefit cannot be calculated until the detailed options appraisal has been carried out.</p> <p>This proposal compliments the recommendation made through the Peer Review to consider alternative delivery models.</p>
<p>Time Plan - Required Steps to Achieve Implementation Date</p>	<p>The business case will be carried out of the coming months and the detailed findings of the business case will be presented to Cabinet which will also recommend the preferred delivery model. Any new delivery model is not expected to be operational until after this process has been completed.</p>
<p>Consultation / Engagement Requirements</p>	<p>Trade Unions and employees:</p> <ul style="list-style-type: none"> • Potential for TUPE of staff to a new delivery model; • Potential redundancies if restructured. <p>Customers and other stakeholders:</p> <ul style="list-style-type: none"> • To help develop robust business case <p>Equality impact considerations should be reviewed during development of business case though no impacts currently anticipated</p>
<p>Recommendation</p>	<p>Cabinet is recommended to approve work being undertaken to develop a Business Case to help determine the best approach for continuing the services of CTS (with options likely to be considered and assessed including inter alia (1) becoming a Trading Company, (2) entering into any joint venture or (3) transferring its business).</p>

	<p>Summary to delegate authority to the Corporate Resources Director in consultation with the Cabinet Member for Finance and Economic Development to undertake the development of a business case, as set out above, in respect of the Central Transport Services to determine the preferred method of service delivery.</p>
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In these difficult financial times, local authorities are considering different ways in which it may deliver services to its citizens. Accordingly, the purpose of this paper is to provide a generic overview of the different types of service delivery models which may be available to the Council. It is important to note that when considering different models of service delivery for a particular area/service, an options appraisal should be carried out in order to determine which model is the most appropriate having regard to the particular subject matter, the outcomes sought, issues and/or risks which may arise. This options appraisal should form part of a detailed business case.

Development of Business Case

There are many considerations to weigh in the balance in determining the model of service delivery to be adopted. The starting point should be the preparation of a business case which is used to inform the decision making process.

The business case would:-

- (i) consider the current arrangements for delivering the service.
- (ii) identify the problems to be addressed and the Council's objectives. What is the Council trying to achieve and why? For example, objectives may include obtaining capital investment, performance improvements, to reduce overall running costs, to expand the range of services offered, to offer new services, etc.
- (iii) identify the key implications and risks associated with achieving the objectives and how they might be managed this includes:
 - Employment law implications - particularly TUPE, two tiered workforce, pensions issues and need to consult with employees and Trade Unions.
 - other regulatory issues such as state aid, procurement law, public sector equality duties, human rights, continuous improvement and consultation duties.
- (iv) consider potential solutions available. Market sounding may be required to identify this (procurement and legal services can assist with this aspect). Also consider what is regarded as current best practice. For example, Welsh Government guidance, Audit commission guidance.
- (v) identify funding requirements and potential funding sources. If funding is dependent on a grant, the terms and conditions of the grant may restrict who can receive the grant and deliver the service

The business case will result in a considered recommendation for a way forward.

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The business case approach should ensure that proper regard is had to all relevant matters (particularly regulatory issues) when making the decisions as to which service delivery model best fits the requirements. Failure to do so can be used as a ground for legal challenge by third parties seeking to challenge matters.

For example, in 2011, Birmingham City Council faced a challenge in the High Court over its plans that it would no longer pay for any adult care needs that were not critical. In that particular case the judge ruled that the Council had failed to ask the right questions in relation to disability equality duties and had conducted a flawed consultation. (W, R (on application of) v Birmingham City Council (2011) EWHC 1147 (Admin).

Different Models of Service Delivery

The different models and legal powers available include:

- a) Collaboration
Different models when local authorities wish to collaborate with other public bodies – by way of example
 - i) Informal arrangements
 - ii) Shared appointments/secondments;
 - iii) Arrangements under the Local Authorities (Goods and Services) Act 1970; and
 - iv) Joint committees
 - v) Delegation

- b) Other types of service models – by way of example
 - i) contractual arrangements including
 - a. outsourcing
 - b. public private partnership models (such as PFI and PPP) and concessions
 - c. strategic partnerships (which may not involve a separate corporate vehicle but under which the provider has at least some strategic input/influence)
 - ii) corporate including:
 - a. special purpose company (such as Local Asset Backed Vehicles and the former local education partnerships)
 - b. Limited Liability Partnership
 - c. IPS
 - d. Trusts (though perhaps not strictly a corporate model in itself)

Some of these models are explored below.

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Informal arrangements

Some local authorities work together on an informal basis. This model tends to be used for short term, ad hoc arrangements and where the finance involved is low value. Decision making remains with each individual local authority and there is no formal structure.

Shared appointments/secondments

These types of arrangements tend to be used for short term arrangements, one off projects or very defined services (eg Coroner's Court). Sometimes shared appointments are supported by service level agreements where one local authority retains the employee, with obligations for service delivery to the other local authority in return for a contribution towards the employee's salary. It is understood that the Directorate of Health and Social Care currently uses this model with the Vale of Glamorgan in relation to two staff posts.

Arrangements under the Local Authorities (Goods and Services) Act 1970

Under this Act, local authorities may provide services to other local authorities and public bodies. Pursuant to section 1 of this Act a local authority and a public body may enter into an agreement for the supply of i) goods, ii) administrative, professional or technical services, iii) the use of vehicles, plant and apparatus and iv) the carrying out of works of maintenance. Under these arrangements the local authority providing the service is entitled to set its costs and may make a profit which it can use to subsidise its own services.

Potentially, the procurement rules could apply to the public body 'buying' the services.

Joint Committee

This is an administrative law structure pursuant to Section 101 of the Local Government Act 1972, whereby local authorities can delegate their functions to a joint committee.

For example this model is being used to deliver the Glamorgan Records Office. Normally, each local authority appoints a representative/ representatives to the committee who are empowered (requisite delegated authority) to agree matters on behalf of their authority. The committee may also include representatives from other stakeholders, with or without voting powers. Behind such an arrangement, there would probably be an agreement between the authorities, which serves to define the parties' responsibilities & obligations. The same would include the respective parties' financial commitments and what happens if one party wishes to withdraw from the arrangement. A joint committee is not a legal entity in its own right and so one Authority normally acts as the host authority with authority to enter into contracts etc on behalf of the committee.

Such an arrangement (provided it is properly structured) should not fall within the procurement rules as it is an administrative arrangement.

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Delegation of Functions

It is possible for one local authority to delegate a function to another local authority pursuant to section 101 of the Local Government Act 1972. Parallel provisions are contained under section 19 of the Local Government Act 2000 in relation to executive functions. Delegation of a function is not a contractual arrangement (and hence the procurement rules would not apply to such an arrangement, provided it is properly structured) but involves one local authority passing specified functions to the other local authority, to which the function has been delegated, to exercise.

The lead local authority to which the function may be delegated is a legal entity and hence can enter into contracts, including employment contracts, in order to undertake the delegated function.

Contractual Arrangements with Third party providers

These types of arrangements are common and provide for local authorities to enter into contracts with third party providers for goods, services and works. A recent example of a social care matter is the framework agreement for domiciliary care services. Given that this type of arrangement involves the award of a public services contract, particular regard must be had to the procurement rules

There are a number of variations on the contractual structures which can be used from simple service contracts (with a specification and required performance levels) to strategic partnering contracts where the provider is required to achieve outcomes and consequently takes a substantial element of the risk and has more control over the way in which the funds available are utilised.

Corporate

The fundamental feature of this model is that the Council would need to establish a separate legal entity. This could be achieved in a number of ways, by way of example setting up one of following:-

- A company limited by shares;
- A company limited by guarantee;
- A community interest company;
- A charitable incorporated organisation
- An industrial and provident society.
- Limited Liability Partnership

Set out below is a brief synopsis of the key characteristics of the above.

Company limited by shares

- Incorporated under the Companies Act 2006. Most frequently adopted corporate legal structure for commercial enterprise and can be adapted to suit most purposes.

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- The company has a share capital and liability of each member is limited to the amount, if any, unpaid on their shares.
- Usually formed for the purpose of making and distributing profits amongst the shareholders and provides a tradable interest (ie the shares)
- Directors manage the business on behalf of the members/shareholders.
- As a separate legal entity, the company has the capacity to enter into contracts, employ staff, and can own and deal in assets.
NB depending upon the degree of the Council's interest (ownership) in the company , regard will need to be had to procurement law, state aid and other propriety requirements

Company limited by guarantee

- Incorporated under the Companies Act 2006. Tends to be more common for "not for profit" organisations
- Company does not have a share capital and its members are guarantors rather than shareholders. Members' liability is the amount they agree to contribute to the company assets if it is wound up (ie the guarantee).
- If the company is established as a "not for profit" organisation then there would be no profit distribution to its members.
- Directors manage the business on behalf of the members.
- As a separate legal entity, the company has the capacity to enter into contracts, employ staff, and can own its own assets.

Community Interest Company ("CIC")

- A CIC is a special type of limited company which exists to benefit the community rather than private shareholders;
- An essential feature of a CIC is that it must meet the "community interest test", that is i) on incorporation of the company submit a Community Interest Statement to Companies House declaring that its activities will be carried on for the benefit of the community and how this will be achieved, and ii) on an on-going basis by submitting a yearly community interest report.
- The company will be subject to an "asset lock" – that is that the company's assets will only be used to support its social objectives or otherwise be used to benefit the community. Hence, if its constitution allows a CIC to pay dividends these will be subject to a cap that limits the amount of dividend payable.
- The members of a CIC have the same governance and decision making role as in any other company, but they are under a stronger obligation to have regard to the wider community which the company serves and involve the stakeholders in it activities.
- Operates in the same way as any other company, having a separate legal identity – eg ability to enter into contracts and own assets in its own name, flexibility in borrowing and fund raising.
- Has to comply with 2 separate regimes reporting to the Company's House and Charity Commissioner.

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Community Interest Organisation (“CIO”)

This is a new legal form for a charity. Accordingly to the Charity Commission, the CIO was created in response to requests from charities for a new structure which could provide some of the benefits of being a company, but without some of the burdens. Some key characteristics include:-

- A CIO is an incorporated form of charity which is not a company. It only has to register with the Charity Commission, and not Companies House (as with CICs).
- Like CICs, it can enter into contracts in its own right.
- Its trustees will normally have limited or no liability for the debts of the CIO

Further information relating to CIOs can be obtained from the Charity Commission’s website ([http://www.charitycommission.gov.uk/frequently-asked-questions/faqs-about-charitable-incorporated-organisations-\(cios\)/cios-general-information/what-is-a-cio/](http://www.charitycommission.gov.uk/frequently-asked-questions/faqs-about-charitable-incorporated-organisations-(cios)/cios-general-information/what-is-a-cio/))

Industrial and Provident Society (“IPS”)

- IPS is an organisation set up to carry out a trade or business either as a co-operative or for the benefit of the community, and is registered under the Industrial and Provident Societies Act 1965.
- IPSs fall into 2 categories, namely:
 - o “bona fide co-operatives – these trade for the mutual benefit of their members;
 - o Societies for the benefit of the community – these trade to benefit the broader community and are granted charitable status by HM Revenue and Customs
- They are registered and regulated by the Mutual Societies Registration section of the Financial Conduct Authority.
- They are “not for profit” organisations any profits made are put back into the organisation.
- They have limited liability – the liability of the management committee members is usually limited to a nominal amount.
- Like companies, an IPS has its own separate legal identity and thus can enter into contracts, own and deal in assets.

For a further, more detailed analysis of the different types of corporate model can be found in Appendix 3 of the Welsh Local Government Association’s “Legal Guidance for Collaboration April 2012”.

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Public private partnership models

These could include a joint venture company and a private finance initiative

Private Finance Initiative PFI

For example, The South Wales Fire and Rescue Training Centre

In this model a LA procures investment and services in relation to an asset (eg In the above case a training centre). The investment by the private sector is in effect funded through a revenue stream of payments for the services to be delivered under the contract (eg available maintained accommodation) and the provider takes the risk that the services meet the requirements so that no deductions are made from the service payments (which could in theory lead to a shortfall in funding to repay the finance charges).

The usual structure involves a design, build, finance and operate contract (DBFO) with a special purpose company set up by a private sector provider for a concession period of between 25 – 30 years (to enable the capital outlay to be recovered through the service payments)

Joint venture company (JVC)

This model is based upon setting up a company in which both the Council and Private sector has an interest and through which services are delivered. Normally behind the JVC will be a shareholders agreement between the local authority and private body setting out the parties' respective rights and obligations. Often JVC's are used to introduce private sector financial resource at the outset of a project (but this has to be balanced against the potential to raise finance more cheaply via prudential borrowing).

Legal advice should be sought to ensure compliance with the procurement rules.

It is important to note that there are 'joint ventures' with the private sector that do not involve the creation of joint venture companies. For example in land assembly arrangements, where the local authority and developers are connected through the content of the property deals (Transfer, lease, development agreements)

Limited liability partnership ("LLPs")

At present it is not clear how local authorities will be able to use LLPs as strictly such vehicles can only be used with a view to making a profit and therefore requires both the power to trade to exist and the power to establish an LLP to deliver that traded activity. The Local Government Act 2003 only permits use of the trading power under section 95 through a company.

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The advantage of a LLP is that it is a tax transparent vehicle (ie it does not impose a fresh layer of tax and allows an Authority to potentially benefit from its unique tax position where it is not subject to corporation tax).

LLPs have been used by some Authorities and advice sought at the time to justify its use for the particular activity but there is no decided case law on the matter and most have used one of the other vehicles.

Consideration of the Procurement Rules

The Council is subject to the European procurement rules and accordingly regard should be had to the procurement rules and any exemptions which may apply, when looking at the different models of service delivery. We have set out some of the procurement issues which may arise specifically in relation to some of the models mentioned.

Company model

Whilst the setting up the company in itself does not rise to procurement issues, any contractual arrangements entered into between the Council and the company would require a detailed consideration of the procurement rules.

Where a company satisfies the provisions relating to the so called “Teckal exemption” then it is possible for a local authority to enter into contracts with the company without following a competitive procurement process..

Briefly, the Teckal case (ECJ judgment reference C-107/98) established that contracts between a contracting authority and a corporate body wholly owned by the contracting authority are exempt from the public procurement rules, subject to a two part test being satisfied. The principles of the two part test are:

- (i) The contracting authority exercises the same degree of control over the company that it would have over an in-house department (the “control” limb) ; and
- (ii) The essential part of the company’s business is provided to the contracting authority (the “essential activity” limb).

With regard to the control limb – this has implications as to how the corporate body is set up/run.

With regard to the “essential activity” limb – this could have an impact in terms of potential trading.

Whilst the law is developing in this area, helpfully the latest draft of the European procurement Directive (July 2013), has indicated how it is currently intended to codify the Teckal principles as follows:

(Extract from draft Article 11)

1. *A contract awarded by a contracting authority to another legal person governed by private or public law shall fall outside the scope of this Directive where the following cumulative conditions are fulfilled:*

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- (a) the contracting authority exercises over the legal person concerned a control which is similar to that which it exercises over its own departments.*
- (b) more than 80% of the activities of that legal person are carried out in the performance of tasks entrusted to it by the controlling contracting authority or by other legal persons controlled by that contracting authority.*
- (c) than 80% on direct private capital participation in the controlled legal person with the exception of non-controlling and non-blocking forms of private capital participation required by applicable national legislative provisions, in conformity with the Treaties, which do not exert a decisive influence on the controlled legal person.*

A contracting authority shall be deemed to exercise over a legal person a control similar to that which it exercises over its own departments within the meaning of point (a) of the first subparagraph where it exercises a decisive influence over both strategic objectives and significant decisions of the controlled legal person. The control may also be exercised by another legal person, which is itself controlled in the same way by the contracting authority.

There is a presumption that a 100% local authority shareholding in a company indicates that the local authority exercise over the company a control similar to that which it exercises over its own departments. Accordingly, if a local authority wishes to set up a company with no private influence and with the intention of directly awarding contract to the company and over 80% of its activities are for the authority then it is possible to apply the Teckal exemption.

CIC/Mutual model

Whether or not the Teckal exemption could be applied to community interest companies and industrial and provident societies would require further consideration. In particular, whether the prescribed provisions relating to membership and voting rights could permit a CIC or IPS to fall under the control limb of Teckal. That said, it is noted that the latest draft of the European procurement Directive, does make special provisions reserving certain services contracts to mutual/social enterprises for a limited period. Article 76a of the draft European Directive sets out the following:

Article 76a

Reserved contracts for certain services

- 1. Member States may provide that contracting authorities may reserve the right for organisations to participate in procedures for the award of public contracts exclusively for those health, social and cultural services referred to in Article 74, as covered by CPV reference numbers 75121000-0, 75122000-7, 75123000-4, , 79622000-0, 79624000-4, 79625000-1, 80110000-8, 80300000-7, 8042000-4, 80430000-7, 80511000-9, 80520000-5, 80590000-6, from 85000000-9 to 85323000-9, 9250000-6, 92600000-7, 98133000-4, 98133110-8.*
- 2. The organisation referred to in paragraph 1 must fulfil the following cumulative conditions:*
 - (a) its objective is the pursuit of a public service mission linked to the delivery of the services referred to in Paragraph 1;*
 - (b) profits are reinvested with a view to achieving the organisation's objective. Where profits are distributed or redistributed, this should be based on participatory considerations;*

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(c) the structures of management or ownership of the organisation performing the contract shall be based on employee ownership or participatory principles, or shall require the active participation of employees, users or stakeholders;

(d) the organisation shall not have been awarded a contract for the services concerned by the contracting authority concerned pursuant to this Article within the past three years.

3. The maximum duration of the contract shall not be longer than three years.

4. The call for competition shall make reference to this Article.

5. Notwithstanding the provisions of Article 94, the Commission shall assess the effects of this Article and report to the European Parliament and the Council by three years later than the date provided for in Article 92(1).

Whilst at the moment the European procurement directives have yet to be adopted and transposed into UK law (and as such will only bite once the new UK procurement rules take effect) nonetheless it is helpful to know the direction of travel - that is, a relaxation of the rules for certain types of health and social care services contracts which may be of interest to mutual organisations. If Article 76a is adopted, then provided that the requirements of Article 76a are met, when seeking to award certain contracts a local authority can limit the competition and seek tenders only from mutual/not for profit organisations.

Inter authority agreements (eg arrangements under the 1970 Act)

Potentially, arrangements whereby one local authority provides services to another local authority for profit may be caught by the procurement rules. However, in the so called "Hamburg" case (Commission v Germany – case number C-480/06(2009) ECR1) the court recognised that certain collaborative contractual arrangements fell outside of the procurement rules. As with the Teckal case, the principles derived from the Hamburg have also been codified in the draft European procurement directive under Article 11(4):-

A contract concluded exclusively between two or more contracting authorities shall fall outside the scope of this Directive where the following cumulative conditions are fulfilled:

(a) the contract establishes or implements a cooperation between the participating contracting authorities with the aim of ensuring that public services they have to perform are provided with a view to achieving objectives they have in common;

(b) the implementation of that cooperation is governed solely by considerations relating to the public interest;

(c) the participating contracting authorities perform on the open market less than 20% of the activities concerned by the cooperation.

Financial considerations

A key factor to determining the form of any delivery vehicle will be the financial considerations, including the tax, VAT & rate relief consequence of using such vehicles to deliver services and how the Council would have to account (reflect in the Council's accounts) for such vehicle. Advice must be sought on such matters before determining the form of the partnership vehicle

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Choosing the right structure for a partnership vehicle is a difficult task. This point is raised because a considerable amount of officer time and costs may be incurred in progressing such matters, which itself raises resource implications.

This note is only intended to provide a brief overview of matters. Please contact Legal Services if you have any queries regarding the above or require legal advice on any particular project. We welcome the opportunity to be involved in projects from their concept so that we are able to provide timely legal advice as the project develops.

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Legal Services**

**OVERVIEW OF MOST COMMON
POTENTIAL LEGAL STRUCTURES**

OVERVIEW OF MOST COMMON POTENTIAL LEGAL STRUCTURES

	Company Limited by Shares	Private Company Limited by Guarantee	Community Interest Company (CIC)	Industrial & Provident Society (IPS) for Community Benefit (BenCom)	Limited Liability Partnership
Legal identity separate from its members	Yes	Yes	Yes	Yes	Yes
Limited liability of members	Yes – limited to unpaid amount on share (including premium)	Yes - limited to the amount of their guarantee	Yes – may either be limited by shares or guarantee	Yes – members' liability limited to the amount unpaid on shares	Yes – limited to capital treatment
Governing documents	Articles of association	Articles of association	Articles of association incorporating the specific requirements of the Community Interest Companies Regulations 2005	Constitution or rules administered by members, generally on basis of one vote per member	The governing document for an LLP is the Members Agreement - unlike the Articles of company, there is no requirement for filing of the Members Agreement with the Registrar of Companies. Membership of an LLP may include both individuals and/or corporate bodies.
Scope to obtain charitable status / tax benefits as a charity	No– but can a trading subsidiary of a charity which covenants profits to parent trust/charity to obtain maximum tax advantage	Yes – if it has charitable objects satisfactory to the Charity Commission	No	Cannot register as a charity but if it meets charitable criteria it may benefit from “exempt charity” status and obtain tax benefits	No
Regulation	Companies Act 2006 and associated legislation	Companies Act 2006 and associated legislation Charity law and Charity Commission if charitable	Companies Act 2006 and associated legislation Registration with Registrar of Companies Regulated by the Regulator of CICs	Regulated by the FSA (and not by the Charity Commission even if its objects are charitable)	Limited Liability Partnerships Act 2000 and provisions of Companies Act 2006 and partnership law. The LLP is subject to accounting and filing requirements similar to companies but it is tax transparent at the LLP level. The LLP therefore has many of the advantages of a company without the restrictions on share capital.
Main potential sources of funding/income	Generating surpluses from trading activities or sale of assets or other income. Members own shares which they either purchase or may be given (e.g., through an employee share scheme). If the company is wound up, liability for is the amount unpaid on the shares.	Fund raising/grants/donations Trading or other income-generating activities if permitted by its objects. Borrowing if income sufficient and constitution permits	Similar to company limited by guarantee or other private company, but scope for raising equity and debt capital is restricted by their community interest objectives and limitations on dividends and interest payments	Equity investment, grants, fundraising, trade or other income-generating activities and borrowing dependent on constitution	Generating surpluses from trading activities or sale of assets or other income
Can it distribute profits?	Yes	In principle yes, but companies limited by guarantee often have a prohibition on distributing profits the articles of association	Dividends paid by CICs are subject to limits set by the Secretary of State	Generally it is a requirement of registration with the FSA that a BenCom should not distribute profits to members but retain them for the benefit of the community	Yes
Asset lock	No – but subject to maintenance of capital restrictions.	No specific requirement but provisions with such an effect could be included in memorandum and/or articles of association	Articles must include an “asset lock” as set out in the CIC Regulations 2005. Assets can only be transferred at full market value. Assets remaining on dissolution protected for the community	Such provisions could be included in the BenCom's constitution	No
Minimum number directors/members or equivalent	At least 1 director (a natural person at least 16 years old) who may be the sole member. Members will decide the most important decisions regarding the company. Directors will carry out the day-to-day business.	At least 1 director (a natural person at least 16 years old) who may also be the sole member. A registered trust will usually have a number of trustee directors.	As for company limited by guarantee, shares or any other private company	Every IPS/BenCom must have a committee of management (sometimes called “directors”) and a secretary. Generally a minimum of three individuals plus a secretary	The LLP owns the business and is liable for its own liabilities. Each member acts as an agent for the LLP which will be responsible for all its members' actions. Members not liable (except where negligent) beyond the amount they have committed to contribute to the LLP.
Registration and costs	Must register and file annual returns and accounts with Registrar of Companies. Standard incorporation certificate costs £15(electronic)/£20 plus additional costs in preparing constitution (from c£300). Annual filing fee of £15(electronic)/£30.	Must register and file annual returns and accounts with Registrar of Companies. Standard incorporation certificate costs £15(electronic)/£20 plus additional costs in preparing constitution (from c£300). Annual filing fee of £15(electronic)/£30.	Must satisfy “community interest test” to register as a CIC. Must register (£35/£25(conversion)) and then file annual returns (£15) and annual accounts with a community interest report (£15) all with Registrar of Companies which has a section overseeing CICs.	Registration with the FSA costs between £40 and £950 depending on the society's level of deviation from the model rules. Annual fees depend on the value of assets. The annual return fee has been abolished (see FSA Policy Statement 10/7).	Must be set up by two individuals with a view to profit. Cost between £14-£40 registration fee at Companies House depending on electronic or paper

Typical use	Most common business structure and well recognised by banks and other commercial organisations as a trading vehicle	Proposals requiring the body to own land or other assets, enter into contracts, employ staff, hold a bank account and/or borrow money	Intended for social enterprises that wish to use assets and profits for public benefits, with mandatory asset lock and controls on dividends to reassure potential participants, donors or investors	BenComs are one of the two forms of IPS which can be registered under the 1965 Act and are organisations with social objects to run a trade or business for the benefit of the community	Increasingly common business structure recognised by banks and other commercial organisations as a trading vehicle
Issues	Take advice re: use of vehicle for collaborative Teckal type venture or for social enterprise given it is set up to generate and distribute profits to investors. Permitted under trading powers and well-being/general powers .	Recognised entity for a not for profit distributing enterprise where asset ownership and contracting envisaged, a degree of continuity is sought and/or there are benefits in limiting liability. Permitted under trading powers, well-being/general powers .	Basically a limited company with an added "overlay". Doubtful whether additional costs and complexity justified by benefits over other forms. Permitted under trading powers but unlikely to be suited to public/public collaborative venture.	Organisations which conduct an industry, business or trade for the benefit of the community. There must be special reasons why they cannot register as a company. In practice they are used less frequently than companies though permitted under trading powers.	Uncertainty as to LAs powers to establish LLPs. Not able to use LLPs for trading under the Local Government Act 2003 section 95. However, LLPs have been utilised (with advice from barristers) in a number of property joint ventures without any challenge having been made as yet.