
CORRESPONDENCE – INFORMATION REPORT

Background

1. Following Committee meetings, the Chair writes a letter to the relevant Cabinet Member or senior officer, summing up the Committee's comments, concerns and recommendations regarding the issues considered during that meeting. The letter usually asks for a response from the Cabinet Member to any recommendations made and sometimes requests further information.

Issues

2. A copy of the Correspondence Monitoring sheet detailing the Committee's correspondence and those responses received is attached at **Appendix A**. For ease of reference, the lines of those letters to which the Committee has received a full response and where no actions are left outstanding have now been removed from the document. Where new information has been added since the Committee last considered a correspondence report, this information is highlighted in **bold**. Attached to this report are copies of recent correspondence, including some letters which had been outstanding from the former Cabinet Member for Finance & Economic Development.

12 September 2013 and 29 October 2013 meetings

3. The Committee considered the 2014/15 Budget Strategy at its September 2013 meeting and Month 3 2013/14 Budget Monitoring at its 29 October 2013 meeting. Copies of the Chair's letters are attached at **Appendices B and C**. A copy of the combined response from the then Cabinet Member for Finance and Economic Development is attached at **Appendix D**.

29 October 2013 meeting

4. The Committee also considered arrangements for the procurement of the Advice Package under Cardiff Council's Review of Grants at this meeting. The Committee wrote to the then Cabinet Member for Community & Neighbourhood Regeneration and Social Justice at the time, and received a response. These are attached at **Appendices E and F**. The Committee has recently received a follow-up letter from the Cabinet Member for Health, Housing and Wellbeing which is attached at **Appendix G**.

26 November 2013 meeting

5. At this meeting, the Committee considered a 2014/15 Budget Strategy update and received Directorate Budget briefings. A copy of the Chair's letter to the Cabinet Member is attached at **Appendix H** and his response at **Appendix I**.

7 January 2014 meeting

6. The Committee scrutinised Central Transport Services and Facilities Management at this meeting. A copy of the Chair's letter is attached at **Appendix J** and the response at **Appendix K**.

1 April 2014 meeting

7. The Committee considered the Council's Website at this meeting, as well as the 2013/14 Quarter 3 Performance report. Copies of the Chair's letters are attached at **Appendices L and M**. Responses are awaited.

Legal Implications

8. 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 on 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

9. 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.

Recommendation

The Committee is recommended to note the content of the letters attached to this report and decide whether it wishes to take any further actions, or request any further information.

MARIE ROSENTHAL

County Clerk and Monitoring Officer
29 April 2014

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response date	Response	Further Actions
17/04/2013	Non-Operational Property	Cllr Goodway	<p>Committee:</p> <ul style="list-style-type: none"> - Made clear its disappointment that Cllr Goodway did not attend and that Committee did not have access to the full draft Cabinet report - Commented that there seems to be a lack of vision around the use of non-operational property - Recommended that the social and community benefits of the estate should be considered, as well as the financial benefits - Commented that the Review has featured on the Cabinet Forward Plan for months without being considered, making planning effective scrutiny difficult - Welcomed moves to monitor performance of the estate and to compare this to other cities - Stated that it wishes to consider the Draft Cabinet report in pre-decision. Prior to this, a strategic vision for the use of Non-Operational Property should be developed, as well as comparative performance indicators, a communications strategy for existing tenants, details of the asset management process and a statement regarding the non-financial value/benefits of the estate. 	17/05/2013	<p>Response:</p> <ul style="list-style-type: none"> - The Cabinet report will cover many of points raised, but officers have been asked to develop a specific section to set out the vision for the development of the estate. - A review of workshops is being undertaken and the two issues will be dealt with in one report. Timescale to be determined. - Cllr Goodway will reflect on the Committee's request to consider the report in pre-decision at the appropriate time 	<p>UPDATE 09/07/2013</p> <p>Officers have stated that the report may go to September Cabinet in conjunction with a review of the Council's workshop estate</p> <p>UPDATE 12/08/2013</p> <p>Officers have confirmed that the report will not be ready for September Cabinet. Date has yet to be confirmed.</p> <p>UPDATE 20/09/2013</p> <p>This may be ready for 29th October Committee meeting.</p> <p>UPDATE 09/10/2013</p> <p>Asset management has been raised as a pressing issue which the Council must address, by both the WLGA Peer Review and the WAO Improvement Report.</p> <p>UPDATE 27/11/2013</p> <p>The Economic Development Director indicated that a paving asset management report would go to Cabinet in January 2014, followed by a more detailed report in March 2014. The Committee indicated that they would like to consider the detailed report in March.</p> <p>UPDATE 26/02/2014</p> <p>The Asset Management report is currently on the Cabinet forward plan for March, but the Director has indicated that it will not be ready.</p> <p>UPDATE 19/03/2014</p> <p>The Director has indicated that the report will not be ready for April Committee.</p>
12/09/2013	Budget Strategy 2014/15	Cllr Goodway	<p>Committee:</p> <ul style="list-style-type: none"> - Requested to be kept informed regarding plans for policy-led and business-process led savings as plans develop - Discussed 'nice to have' versus necessary services and wish to continue to engage with the Cabinet as these ideas develop - Will consider Grants proposals at its next meeting - Raised the issue of affordability of borrowing. <p>Committee also made a number of comments about the budget process. Members:</p> <ul style="list-style-type: none"> - Welcomed the offer of directorate briefings - Requested to know when the Budget Proposals would be released into the public domain - Hope that the proposals' narrative will reflect the needs of various audiences - Asked that all options presented for consultation are pursued, but asked that thought is given to those who prefer not to access web-based surveys - Request that the full results of consultation are available to scrutiny committees and that a full review is carried out afterwards to judge the effectiveness of consultation. 	27/03/2014	<ul style="list-style-type: none"> - Apologised for the delay in responding; - Set out further details of the financial difficulties facing the Council; - Highlighted the importance of scrutiny of directorates' detailed savings plan and of budget monitoring; - Set out his calculation that the 2015/16 budget gap could reach £40 million. 	None
15/10/2013	WAO Improvement report & letter	Cllr Cook	<p>Committee:</p> <ul style="list-style-type: none"> - Recommends that methods of making the Council's Annual Improvement report more accessible discussed at the meeting are implemented; - Urges action to address the content of the Corporate Plan Delivery Plan - Requested clarification regarding WG improvement advice that was not made available to the Cabinet - Notes that a further review of performance reporting is underway and therefore postpones its request for a bespoke report - Will investigate a comparative performance research project with the Scrutiny Research team - Urges action on asset management. 	05/11/2013	<ul style="list-style-type: none"> - Issues of the accessibility of the Report are being addressed; - The refresh of the Corporate Plan in February 2014 will provide an opportunity to address issues with the measurability of the Corporate Plan; - Offers the revised and clarified guidance regarding improvement planning once available, to ensure the Committee has the most up to date guidance; - Notes the decision to postpone the development of a bespoke report, although the Team remains happy to assist; - Suggests the Scrutiny Research team works with the Improvement Team with regards to comparative data; - Comments regarding Asset management will be passed to the relevant Cabinet Member. <p>UPDATE 7/3/2014</p> <p>Improvement Planning Guidance forwarded.</p>	None

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response date	Response	Further Actions
29/10/2013	Budget Monitoring 2013/14 M3	Cllr Goodway	<p>Committee:</p> <ul style="list-style-type: none"> - Noted the seriousness of the Council's financial position and thanked the Cabinet Member for the verbal update regarding the position as at Month 5 - Was concerned about the Council's financial forecasting given the speed with which an overspend of £3.9 million was predicted after the budget was set - Emphasised the need for scrutiny of in-year management action and savings activity where these result in changes to service delivery or policy - Recommended consideration of a public monthly monitoring report to Cabinet - Highlighted ongoing issues with Capital Slippage - Noted issues with Facilities Management and Central Transport Services savings and will consider in more depth in January. Members would like sight of the Resources Directorate's action plan to reduce its overspend at that meeting - Would like to consider the Budget Strategy update on 26 November and requested a response to this letter and its letter regarding the original Budget Strategy report before that date, if possible. 	27/03/2014	<ul style="list-style-type: none"> - Apologised for the delay in responding; - Set out further details of the financial difficulties facing the Council; - Highlighted the importance of scrutiny of directorates' detailed savings plan and of budget monitoring; - Set out his calculation that the 2015/16 budget gap could reach £40 million in the next financial year. 	None
29/10/2013	Advice Procurement Package	Cllr Thorne	<p>Committee:</p> <ul style="list-style-type: none"> - Welcomed the opportunity to consider the proposals at an early stage - Requested further details of the supplier workshop at the end of the month with a view to Members attending if possible - Noted the funding envelope has been set at £500k and that any increase would necessitate a financial pressures bid - Noted the importance of contract monitoring to ensure outcomes are delivered and will consider this issue in more depth at its April meeting - Noted that the contract will be reviewed after two years and that the service may come back in-house. Some Members were concerned that this may be the case - Reiterated the request to see the results of the Grants review consultation prior to consideration of 2014/15 budget proposals. 	18/12/2013	<ul style="list-style-type: none"> - Details of the Advice workshop were sent to the Principal Scrutiny Officer (Cllr Marshall attended on the Committee's behalf) - Noted comments regarding contract monitoring and would be happy to brief the Committee further - Noted concerns about the vagueness of the Corporate Plan milestones and looks forward to briefing the Committee further in February. 	<p>None</p> <p>UPDATE 23 April 2014</p> <p>A further response was received from Cllr Elsmore, updating the Committee on progress on procurement. Consultation has taken place and tender documentation has now been completed. The invitation to tender will be published in early May</p>
26/11/2013	Budget Strategy / Directorate Budget briefings	Cllr Goodway	<p>On the budget strategy, the Committee:</p> <ul style="list-style-type: none"> - Hoped that the Council is looking towards English Councils for examples of how to deal with the economic situation, and wished to receive further details of work that is ongoing; - Noted comments that Council Tax may have to be raised next year, and would support moves to establish with the Minister the exact nature of any cap on such a raise; <p>Noted that it could not be confirmed that a rise in council tax would result in lower savings targets for directorates.</p> <p>On the Resources Directorate Budget Briefing, the Committee:</p> <ul style="list-style-type: none"> - Noted the various sources of savings under consideration; - Requested a copy of the KPMG commissioning and procurement report. <p>On the Corporate Management Budget Briefing, the Committee:</p> <ul style="list-style-type: none"> - Queried the different approaches taken to filling or deleting the Corporate Director Operations and the Head of Cabinet Office posts; - Requested a breakdown of the Corporate Initiatives spend this year and confirmation that this has been topped up via reserves; - Requested a breakdown of the Precepts, Levies and Contributions budget. <p>On the Economic Development Directorate Budget briefing, the Committee:</p> <ul style="list-style-type: none"> - Noted the savings drivers; - Commented that the transfer of strategic estates to the Directorate would appear to be subsidising the area in making savings; - Recommended pursuing sponsorship opportunities; - Would like to consider the full asset management report in March 2014. <p>Committee also asked for replies to any outstanding correspondence.</p>	27/03/2014	<ul style="list-style-type: none"> - Apologised for the delay in replying; - Noted that the KPMG report is still being drafted and is not currently available; - Stated that the deletion of the post of Corporate Director operations was following advice from the Interim Head of Paid Service and Chief Executive. Noted that a further review of the senior management structure has been recommended and that this must ensure sufficient capacity to deal with the current financial challenge; - Disagreed with the suggestion that the Economic Development directorate was subsidised; - Agreed with the Committee's comment that income generating opportunities should be pursued. 	<p>Confirm details of Corporate Initiatives spend and Precepts and Levies contributions.</p>

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response date	Response	Further Actions
26/11/2013	Directorate Budget briefings	Cllr Cook	<p>Committee:</p> <ul style="list-style-type: none"> - Noted the 38% savings target which the County Clerk and Monitoring Officer is working towards; - Raised the comment of the Cabinet Member for Finance and Economic Development during last year's budget process that the financial pressure approved for Scrutiny Services would not be chipped away in future years; - Would like to be kept informed regarding the Communications review; - Requested a breakdown of the Members' expenses budget to aid budget scrutiny. 	27/01/2014	<p>On behalf of Cllr cook, the Leader responded:</p> <ul style="list-style-type: none"> - Noting the Committee's comments regarding the Scrutiny budget; - Providing details of Members' allowances; - Stating that the Communications review should report in March and offered to inform the Committee of the outcome 	<p>Schedule consideration of Communications & Media Review</p> <p>UPDATE 5 March 2014 The County Clerk and Monitoring Officer has indicated that the Review will not be ready for the Committee's 1st April meeting, but may be ready for the May meeting.</p> <p>UPDATE 29 April 2014 The County Clerk and Monitoring Officer has indicated that the Review will not be ready for the Committee's May meeting, but may be ready for the June meeting.</p>
07/01/2014	Central Transport Services, Facilities Management, Month 6 budget monitoring, Public Sector Asset Management report	Cllr Goodway	<p>Committee:</p> <ul style="list-style-type: none"> - Was concerned that a number of savings for these areas were deemed to be unachievable so soon into the year, having relied on achievability assessments with budget proposals to be accurate - Was disappointed by these difficulties, but positive about the way in which CTS is planning for the future - Noted that buy-in across the Council is vital in changing driver behaviour - Discussed the proposal to explore creating a CTS trading company, and was concerned about the viability of competing with the private sector - Requested a breakdown of savings for CTS and FM for 11/12 and 12/13 - Requested an assessment of the costs of pool cars vs the cost of officer mileage - Welcomed the work taken to develop a longer term strategy for FM, but was concerned about its ability to plan without a stated position on the future of the Council's estate - Asked for the full breakdown of savings projections to be re-instated for the Month 8 budget monitoring report - Commended the PSAM report to the Cabinet Member. 	27/03/2014	<ul style="list-style-type: none"> - Understood concern regarding unachievable savings, which is why planning criterion have been introduced to the budget assessment process; - attached a report giving details of the costs of mileage vs pool cars and a breakdown of savings; - stated that the Section 151 Officer is intending on including an Appendix regarding progress against savings proposals with the 2014/15 Month 3 Budget Monitoring report. 	<p>Check whether a detailed breakdown of progress against savings targets is included with future Budget Monitoring reports.</p>
13/02/201	Corporate Plan 2014-17	Leader	<p>Committee:</p> <ul style="list-style-type: none"> - felt that although some issues raised by the Committee and the Auditor General with regards to last year's Plan had been addressed, many had not; - was disappointed that the draft Corporate Plan had not been ready to go out with all Committees' papers and that the Technical Document provided to PRAP had not been available for all Committees; - recommended bringing forward the Corporate and Budget planning process next year; - was not convinced that the draft met the needs of all of the Plan's audiences; - felt that the Plan should more clearly address the years after 2014/15; - was not in a position to judge the alignment of the Plan and other strategic documents given the lateness with which the Technical Document was received; <ul style="list-style-type: none"> - requested a firm date for the availability of Directorate Plans; - recommended that the Plan give more prominence to addressing issues with the Council as a corporate body; - is concerned that the Council's performance framework has not been addressed with the urgency required and wishes to receive a clear outline of activity from the AD Sport, Leisure and Culture at its March meeting; - was not convinced by many of the measurements contained within the Plan; - noted some areas which should be amended - the alignment of the Environment section, the anticipated budget gap and the slant of the Finance and Economic Development section. 		Not yet received	

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response date	Response	Further Actions
13/02/2014	Draft Budget Proposals	Cllr Goodway	<p>Committee:</p> <ul style="list-style-type: none"> - recommended that further steps should be taken to provide full information to scrutiny committees to enable their consideration of the budget proposals; - recommended that the process be brought forward to ensure full scrutiny and public engagement; - recommended amendments to the budget consultation process; - expressed concern about the achievability of savings; - recommended that savings proposals should more clearly set out the risk/benefits of implementation to allow proper scrutiny and Member decision; - expressed concern about the capital programme and level of proposed borrowing; - referred Invest to Save to the Audit Committee; - expressed disappointment that the Workforce Agreement had not been subject to pre-decision scrutiny and recommended that timely engagement must be put in place in future; - recommended that the Council's workforce planning be addressed urgently, expressing concern about the loss of capacity and knowledge from the organisation; - declined the Cabinet Member's request to make a comment about Council Tax levels; <ul style="list-style-type: none"> - recommended that the CardiffWorks operating model be considered further; - requested details of the Communications review; - reiterated that the Council's asset management be addressed urgently; - noted concern regarding the consultation on the Grants proposals; - accepted the offer of monthly budget monitoring information. 	05/03/2014	<ul style="list-style-type: none"> - Officers have been asked to prepare the Budget Strategy report for 2015/16 and an early date to enable a realistic timetable for consideration of the budget proposals; - disagreed that Cabinet had access to information which Scrutiny Committees did not, although some details referred to in the meeting were subject to decisions which were yet to be taken such that officers could not calculate those figures. The Cabinet Member was satisfied this did not prevent scrutiny of the proposals; - accepted that the proposals language could be cryptic or insufficient, and would work to improve this next year; - reflected that committees could have been asked to consider proposals in January, with additional proposals coming in February. Officers will be asked to explore this for the next year; - the Committee's views on non web-based methods of consultation will be taken into account next year; <ul style="list-style-type: none"> - concurred with concerns around the achievability of savings, hence the contingency fund in place; - has asked that monthly budget monitoring reports are made available; - refused the request for pre-decision scrutiny of in-year savings if these become necessary, given their potential urgency, but would be happy to report these afterwards or prospectively where possible; - highlighted levels of Capital expenditure and borrowing, but noted that few new schemes had been approved this year, and that there had been some reductions and removals; - noted comments regarding the workforce agreement and Academy budgets. The Academy increasingly will have to find external funding, although the proposal to reduce its budget was not taken forward; - a Trade Union budget forum will be set up in March 2014, for the 2015/16 process; - a new approach to Workforce Planning is integral to service planning going forward. 	<p>UPDATE:</p> <ul style="list-style-type: none"> - Section 151 officer is in discussions regarding progressing this for the 2014/15 financial year - Audit Committee was presented with the Chair's letter in late March, regarding Invest to Save schemes. A review will be built into the 2014/15 Internal Audit programme and will report back to the Audit Committee at a later date.
04/03/2014	Cardiff Council Performance Review	Leader/ Cllr Cook	<p>Committee:</p> <ul style="list-style-type: none"> - welcomed the approach being taken by the Chief Executive in developing a mature conversation around performance; - welcomed the holistic and pragmatic way in which the Assistant Director Sport, Leisure and Culture is taking, but expects to see real results in the near future; - Noted the difficult but important balance to be struck between an environment which encourages open discussion of performance and one which penalises poor performance; - Made some specific comments on the draft Quarter 3 performance report presented, including the need to reflect the customer point of view; ensuring tracking between periods; ensuring trends can be tracked over several years; and the importance of the challenge process. - commended the Scrutiny Research Team's report on performance benchmarking and asked for feedback as to how Directors are taking this forward. 		Not yet received	
04/03/2014	Attendance & Wellbeing Policy Implementation	Cllr Cook	<p>Committee:</p> <ul style="list-style-type: none"> - was pleased to learn that sickness absence levels appear to be going down; - may focus on specific directorates' management of sickness in future; - urges officers to consider learning from other authorities' and organisations' management of sickness, and to spread best practice within the Council; - asked for further information on schools' adoption of the Policy; - asked for further details of the likely cost if the projection 2013/14 level of sickness- 10.4 FTE days - is reached; - asked for the results of the WAO review and the operational 12 month review of the Policy. 		Not yet received	

Policy Review Performance Scrutiny Committee
Correspondence

Committee date	Committee item	Recipient	Comments/Information requested	Response date	Response	Further Actions
01/04/2014	Cardiff Council Website	Cllr Cook	<p>Committee:</p> <ul style="list-style-type: none"> - noted Cllr Cook's comments that the website had fallen behind in recent years; - were pleased that integration with SAP CRM will be in place in September 2015 and that this will create a full transactional website - queried whether an off the peg solution would have allowed more timely improvements but were reassured that the system would be future-proofed an integrated with service delivery and management arrangements; - raised issues of accessibility, member involvement in web governance; central control of the website vs service area management and integration with social media. 		Not yet received	
01/04/2014	2013/14 Quarter 3 Performance	Cllr Hinchey	<p>Committee:</p> <ul style="list-style-type: none"> - was pleased with the succinctness and clarity of the report; - noted that the reports would continue to evolve; - queried how cross-cutting issues would be monitored and managed; - reiterated the need for effective benchmarking; - recommended further exploration of open data; - reiterated the Committee's request to consider the Property Strategy; - noted moves to develop a public sector hub and asked to scrutinise this further; - stated that the Committee had previously accepted the former Cabinet Member for Finance's offer of monthly budget monitoring reports and asked if Cllr Hinchey could progress this with Christine Salter. 		Not yet received	

My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 18 September 2013



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Neuadd y Sir
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Councillor Russell Goodway
Cabinet Member Finance & Economic Development
Cardiff Council, County Hall
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Dear Councillor Goodway,

**POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE
12 SEPTEMBER 2013 – Budget Strategy 2014/15**

Thank you for attending the meeting of the Policy Review and Performance Scrutiny Committee which considered the Council's Budget Strategy for 2014/15. Committee Members had a number of comments which they have asked me to relay.

The Committee was grateful for the briefing provided by you and the Interim Section 151 Officer. It is clear that the Council faces a considerable challenge to meet the anticipated gap in funding over the medium term. The Committee noted the savings drivers set out in the report, including those which are policy-led, business process-led, and the more traditional directorate-led savings. The Committee has a long-standing interest in the former Transformation Portfolio and has queried with you on previous occasions the detail of your portfolio objective to develop a five year plan to look at how service delivery can be maintained and improved given reduced resources. The Committee therefore wishes to be kept informed as these plans are developed and asks that we continue to work together to strengthen the Committee's working relationship with you as Cabinet Member.

In terms of developing savings proposals, Members discussed at the meeting the difference between those services which the Council must or should deliver for the citizens of Cardiff and those which are 'nice to have'. The budget process is inevitably portfolio- and directorate- focussed, but there is a need to take a more holistic view point. The potential impact of cuts to one 'nice to have' service on other essential services must be considered. We noted that you are developing relationships with partners in order to find a way forward for some non-essential services currently delivered by the Council and your statement that you are interested in Scrutiny Members' views in this area. We hope to engage fully with you in the development of these ideas.

The Committee noted that proposals are under development to put before Cabinet in terms of the Council's grants to external bodies and are aiming to give pre-decision scrutiny to this at our next meeting. It is encouraging that these discussions are commencing earlier in the year; as you will recall, the Committee were concerned



last year that third sector organisations had been given very little time to put in place mitigating actions before their funding was cut.

The Committee raised the issue of the ongoing affordability of the Council's level of borrowing at the meeting. This remains of some concern and is something which we will continue to bear in mind in future meetings.

Budget process

As you will recall from the Committee's scrutiny of the 2013/14 budget proposals, Members had concerns around the process for their development and have asked me to relay some comments in relation to these:

Information – Members had previously commented that the information available to them as Scrutiny Members was insufficient, that it was difficult for Members to understand the totality of the Council's budget and the selection of particular savings proposals as opposed to others. Members welcomed the development of directorate-level budget briefing packs and will schedule a consideration of these for our November meeting. We hope that this will give us the necessary preparatory information to enable an effective scrutiny of the budget proposals.

The Committee welcomed the offer of further training in the Risk and Equality Impact Assessment of the proposals for those Members who wish to take it up. Given the importance of the latter in mitigating the effects of savings on citizens, we will also wish to ensure that Scrutiny Members have access to all Equality Impact Assessments as background information to the scrutiny budget papers.

Timescales – Members have previously requested earlier access to the Budget Proposals. We note that you did not confirm at the meeting at what point the Proposals would be released into the public domain and whether they would be published at January Council. We would be grateful for your clarification so that we can schedule our Budget Scrutiny as appropriate.

Proposals narrative – Members have previously commented that the descriptions of the proposed savings was often unsuitable for the intended audience. We were glad to hear that Finance officers are working with directorates to ensure that the 2014/15 proposals contain an improved narrative. We urge you to take into account the multiple audiences, professional and public, who will need to understand the proposals and their implications. We will bear this in mind when considering the draft Budget Proposals.

Consultation – Last year the Committee noted several areas that needed to be improved in both the content and structure of the budget consultation. We are pleased that you appear to have taken these comments into account in developing options for this year's process. Officers set out consultation opportunities such as the ongoing use of the Ask Cardiff survey to establish citizens' service priorities; a wide-scale electronic survey on the detail of the proposals themselves; and an in-depth focus group via the Citizens Panel to discuss the future shape of the Council. We urge you to ensure that these options are put into practice. We also recommend that you take into consideration the views of those citizens who prefer not to or are unable to access web-based surveys. Members therefore recommend that surveys are distributed in Council

buildings (libraries, Hubs, leisure facilities etc) and that efforts are also made to contact service users who often may not be as vocal: those who use Housing Advice and social services, for example.

The Committee requests that the full results of this consultation activity is made available to all Scrutiny Committees to aid their consideration of the draft Proposals, and that the timing of the consultation is arranged in order to ensure this is feasible and that papers are not tabled at Committee meetings. We would also like to see a comprehensive review of the effectiveness of this consultation and the extent to which comments were taken into account after the Budget has been finalised.

Finally we urge you to continue to ensure that the budget process is as transparent as possible and that Members are engaged to the extent that they have a full understanding of the decisions being made and their implications.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nigel Howells', with a stylized flourish at the end.

COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Marcia Sinfield, Interim Section 151 Officer
 Allan Evans, Operational Manager, Service Accountancy
 Cabinet Office
 Members of the Policy Review & Performance Scrutiny Committee



My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 5 November 2013



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Councillor Russell Goodway
Cabinet Member Finance & Economic Development
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Dear Councillor Goodway,

**POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE
29 October 2013 – Budget Monitoring 2013/14 Month 3**

Thank you for attending the meeting of the Policy Review and Performance Scrutiny Committee which considered the Council's budget position projected as at Month 3 of 2013/14. Given the need to defer the item from the Committee's 1 October 2013 meeting, Members also appreciated the more up to date Month 5 information given by the Interim Head of Paid Service.

Committee Members had a number of comments that they have asked me to relay, as set out below.

The Committee recognises that the Council is facing an extremely serious financial situation, which is not likely to improve in the medium term. The Committee noted that there has been an improvement in the Council's projected position at Month 5, with an overspend of £2.6 million anticipated, as opposed to the £3.9 million overspend projected at Month 3. Members noted that some directorates have started to take steps to improve their position, while others, such as Health & Social Care are facing increasing service pressures. Members expressed concern that the Council's budget forecasting could be improved, given the speed with which the overspend came to be projected after the budget was set in February.

The Committee noted the management actions which the Cabinet approved as part of the Month 3 report. We understand the need to take strong action to address potential overspends in-year. However, Members are concerned that where major changes to service delivery or policy are introduced in-year, outside the budget-setting process, the level of engagement with Scrutiny committees has been limited. The Interim Head of Paid Service informed the Committee that discussions are undertaken between Directors and their Cabinet Members when such changes are proposed, but we feel that more effort should be made to engage and inform Scrutiny Members. This will become even more important as the impact of savings year on year is felt.



Members noted when they considered the WLGA Peer Review that a move to monthly financial reporting was recommended. While we are aware that Cabinet Members and senior managers receive monitoring information on a monthly basis already, we feel there would be real merit in putting this information in the public domain. It has been commented that Cardiff citizens and Council officers should be made more aware of the difficult decisions which the Council may have to make about service delivery levels in the future. A public monthly monitoring report may be one way to achieve this. It could also provide a vehicle to ensure a more public debate of in-year remedial actions that could have an impact on service delivery.

Members highlighted the issue of Capital Slippage at the meeting and hope that Directors are being pushed to ensure that Capital Programmes are more accurately profiled in next year's budget. The Business Improvement programme, which is showing slippage, will be discussed at our 6 May 2014 meeting, so we will consider that in more depth then.

We noted the Interim Head of Paid Service's comments regarding 2013/14 savings proposals in the Facilities Management and Central Transport areas. She stated that when it became clear what was intended through those budget savings, it also became clear that more time would be needed to realise them. While we were pleased to hear that as part of the 2014/15 budget setting process Directors are being asked to provide detailed delivery plans for savings proposals, this issue still raises many concerns about the budget assessment and challenge process. We have programmed an in-depth consideration of the Facilities Management and Central Transport Services at Month 6 for our 7 January 2014 meeting, so will bear this in mind then. We would also like to receive an update on the Resources Directorate's action plan to reduce its overspend at that point.

Members raised the issue of Welsh Government grants at the meeting, in terms of the difficulties which the Council faces in planning activity when the level of grant funding is not confirmed until part way through the financial year. We would support any lobbying of the Welsh Government by the Council or Welsh Local Government Association in this regard.

Finally we note that an updated budget strategy is programmed for decision at the Cabinet's 7 November 2013 meeting; the Committee will scrutinise this at its 26 November meeting. We would be grateful for your reply to this letter and to the Committee's letter dated 18 September 2013 regarding the original Budget Strategy report before that meeting if possible, in order to inform discussions.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nigel Howells', with a stylized flourish at the end.

**COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Christine Salter, Interim Head of Paid Service
Marcia Sinfield, Interim Section 151 Officer
Allan Evans, Operational Manager, Service Accountancy
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee



**CABINET SUPPORT OFFICE
SWYDDFA CYMORTH Y CABINET**

My Ref: CM25908 / CM25559
Your Ref: T: Scrutiny/PRAP/Comm Papers/
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27 March 2014

Councillor Nigel Howells
Chair, Policy Review & Performance Scrutiny Committee
Scrutiny Services
Room 243
County Hall
CARDIFF
CF10 4UW

Dear Nigel

BUDGET MONITORING & BUDGET STRATEGY

I am just clearing my desk together with a backlog of correspondence and Cabinet Support have advised that your office has indicated that you are awaiting responses to a number of items of correspondence relating to Budget Monitoring matters and the Budget Strategy which generated the 2104/15 Budget proposals.

I apologise for the delay in replying to you but, I have to say that, for the most part, I interpreted your correspondence as simply conveying the views of your committee and which did not require a response. However, I guess it would have been polite if I had simply acknowledged receipt and stated how much I valued the contribution of your committee. I am happy to do that now with my apologies for not having done so sooner.

Before I depart for the warmth of the backbenches – a place where I have wanted to be for a long time – let me reflect on just a couple of the points that have arisen out of the deliberations of your committee over the past year.

BUDGET MONITORING

I am pleased that the Committee recognises the extremely serious financial situation facing the council in the period going forward. All the indications are that the situation will get worse over the medium term. The Chancellors Budget last week confirmed that austerity measures will continue until at least 2018/19 with £15 billion being taken out of public services in 2014/15 and a further £20 billion in 2015/16. The Chancellors budget anticipates a similar reduction in 2016/17. This clearly has serious implications for Wales and for both Welsh Government and Welsh Local Government.

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Atlantic Wharf, Cardiff CF10 4UW
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The importance of effective budget monitoring will be critical in the period going forward. However, I remain concerned that budget monitoring alone will not be sufficient. I believe that it is important for your committee to give in depth prospective scrutiny of each directorates detailed savings plans for 2014/15 so that you are satisfied that they are capable of achieving the savings targets included in the budget. Retrospective scrutiny is important to ensure savings targets are met but the 2014/15 experience has proved that once spending targets are breached it is extremely difficult to recover the position during the remainder of the year.

Indications are that, despite the 2013/14 out turn coming within the overall budget (thanks to the measures we put in place last summer/autumn) individual directorates will have overspent by some £3.5 million in the year. If you extrapolate that for 2014/15 there is a real danger that overspends could reach some £9 million at a time when balances stand at just £11.3 million and during a time when the prospects of other directorates are highly unlikely to underspend. .

BUDGET STRATEGY

The new administration has indicated that it intends to approach the 2015/16 budget setting differently and I await confirmation of the process that it intends to adopt. Clearly the timing at which detailed proposals can be brought forward will depend on the timing of Welsh Government announcements around the provisional and final local government settlements.

However, we know that the indicative settlement suggests a savings requirement of some £33 million. On top of that, the workforce agreement which forms part of the 2014/15 is for one year only and which has contributed some £4 million to the total savings. In addition, there will be a need to repay the first instalment of the amount borrowed from reserves to fund voluntary severance costs which I believe amounts to some £3.5 million. On my calculation, that means a total savings requirement in 2015/16 of some £40 million even if the indicative settlement holds good. I believe that it would be useful for the your committee to obtain an early understanding of the strategy to recover those costs.

I hope this is helpful.

Yours sincerely,



**COUNCILLOR RUSSELL GOODWAY
CABINET MEMBER (FINANCE & ECONOMIC DEVELOPMENT)**

My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 5 November 2013



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Councillor Lynda Thorne,
Cabinet Member Community & Neighbourhood Regeneration and Social Justice
Cardiff Council, County Hall
Cardiff
CF10 4UW

Dear Councillor Thorne,

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

29 October 2013

Thank you for attending the Policy Review and Performance Scrutiny Committee to discuss the proposed procurement process for the Advice Package and to set the context under which Communities Directorate is developing its budget proposals for 2014/15. The Committee had a number of comments, as set out below.

Review of Council Grant Funding – Procurement of Advice Package

Firstly, the Committee would like to thank you for providing the opportunity to consider the proposals for the procurement process at an early stage. Members welcome this open approach and that suppliers will be involved in the process in the very near future. Members were interested in attending the supplier workshop which has been tentatively set for 27 November 2013 and would be grateful if further details could be forwarded to the Principal Scrutiny Officer.

The Committee noted that the funding envelope for the Advice Service, subject to agreement during the budget-setting process, will be fixed at £500,000, with a small contingency which is only to be used to meet unforeseen need. Officers informed the Committee that strict minimum requirements for service levels will be set out in the Contract Notice. We further noted that if it became clear that additional service pressures would require further funding, this would necessitate a financial pressure bid through the usual budget setting process.

The Committee was informed that a one supplier approach is being pursued, with the aim of ensuring a more consistent advice service across the city; a more coherent customer journey into the advice system; and to better monitor the delivery of outcomes for customers. Members highlighted during the meeting the issues around sub-contracting within a single contract and recommend that our contract requirements very strongly set out our expectation to be informed where sub-contractors are to be used, or where several suppliers form one entity to bid for the contract.



It was obvious to Members from the discussions that the ongoing monitoring of the contract will be vital in ensuring that the advice services meet the needs of Cardiff citizens. The selection of appropriate performance indicators, to monitor delivery of outcomes, the potential penalties which could be put in place and the project management advice which the Council can call upon are all fundamental in this. The Committee intends to consider the Council's approach to contract compliance and monitoring at its 1 April 2014 meeting so will explore these general issues in more depth then.

Members discussed the need for advice to be provided as an independent service to ensure the quality of advice in future. Some Members were concerned by your comments that following the two year contract period, the potential to bring these services in-house may be explored.

When we considered the original Proposals for the Review of Council grants, we requested to receive an update once the consultation process with suppliers had taken place, prior to considering the final budget proposals. We remain particularly interested in the effects of the overall, and of these specific, proposals on small suppliers, so reiterate this request now. We would ask that this update includes further information on the response to the Advice contract preparation process from small suppliers in particular.

Communities Directorate – Budget briefing Procurement of Advice Package

Again, the Committee would like to express its thanks for your attendance at the meeting. We welcomed the opportunity to consider the context around those parts of your portfolio which fall under the Committee's remit in preparation for considering the Budget Proposals themselves. The information presented was very useful and we welcome this shift in the budget scrutiny process.

Although this was largely a briefing session, Members highlighted a couple of points during the meeting:

- There is a need for all directorates to address capital slippage as well as their profiling of capital spend to ensure it is as accurate as possible;
- We would re-emphasise the vagueness of many of the milestones and actions contained within the Corporate Plan. This issue was clearly underlined by the Wales Audit Office's recent Improvement Report and was something which this Committee commented on when it considered the draft Plan in February this year. We hope that all Portfolio-holders will work with directors to address this in next year's Plan;
- Members commented on some of the comparative data contained within the briefing pack, feeling that Welsh comparators are often not that helpful. The Committee is aiming to commission research into appropriate comparative performance data and will consider the results in due course.

I would be grateful if you could respond as appropriate to the comments above.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nigel Howells', with a long, sweeping flourish extending to the right.

COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Sarah McGill, Director – Communities, Housing and Customer Service
Jane Thomas, Operational Manager, Benefits, Finance and Tenants Services
Bethan Jones, Category Manager, Commissioning and Procurement
Marcia Sinfield, Interim Section 151 Officer
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee



**CABINET SUPPORT OFFICE
SWYDDFA CYMORTH Y CABINET**

My Ref: CM25910

Date: 18th December 2013



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Cllr Nigel Howells
Cardiff County Council
Atlantic Wharf
Cardiff
CF10 4UW

Dear Nigel

**Policy Review & Performance Scrutiny Committee - 20 October 2013 -
Grant Funding & Communities Budget Briefing**

I am writing in response to your correspondence concerning the Policy Review & Performance Scrutiny Committee which took place on 29 October 2013, to review the proposals for the procurement of advice package as part of the Council Grant Funding, and the Budget Briefing. Thank you for setting out the observations, recommendations and comments of the committee.

As requested, details were sent to the Principal Scrutiny Officer in advance of the Supplier Workshop scheduled for 27 November 2013. If you would like further details from the workshop please let me know.

I also note the Committee's comments regarding subcontracting, the monitoring of the contract and the impact on small providers. I would be happy to report back to the Committee on progress with the procurement before the budget is finalised.

Thank you for your comments regarding the budget briefing proposals. I also note your concerns on the vagueness of some of the milestones and actions within the Corporate Plan. This is being addressed and I look forward to briefing the Committee on the draft plan in February.

I hope the above gives you and the Committee Members more clarity on the information requested, and I would like to thank you for your comments.

Yours sincerely

**Councillor Lynda Thorne
Cabinet Member for Communities, Housing & Neighbourhood Renewal**

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**CABINET SUPPORT OFFICE
SWYDDFA CYMORTH Y CABINET**

My Ref / Fy Ref: CM27262

Date / Dyddiad: 17th April 2014



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Cllr Nigel Howells
Chairperson
Cardiff County Council
Atlantic Wharf
Cardiff
CF10 4UW

Dear / Annwyl Nigel

Advice Procurement

As you are aware Cabinet decided on the 10 October 2013 to move away from grant funded advice services and move towards fully commissioned services.

Following the consideration of this matter by your Committee and the request to be kept informed, I am writing to update you of progress in this matter. There has been considerable opportunity for the current providers to feed into this process. A workshop event was held on 27 November hosted and funded by the Welsh Government's Business Wales service. Councillor Marshall represented the Committee at this event. At this workshop a presentation was given setting out the proposed way forward for the procurement of advice services. Comments on the principles were requested however no comments were received by the deadline date.

Consultation then took place on the detail of the services to be commissioned with feedback from providers being collated by Cardiff Third Sector Council. Two very productive meetings then took place between current providers and the Council officers working on the project. Changes to the advice services to be commissioned were made as a consequence and the comments made have informed the drafting of the specification.

The tender documentation has now been completed and the appropriate decisions have been registered. It is anticipated that the invitation to tender will be published early in May.

I hope this information is helpful.

Yours sincerely
Yn gwyir

**Councillor / Y Cynghorydd Susan Elsmore
Cabinet Member for Health, Housing & Wellbeing
Aelod Cabinet Dros Iechyd, Tai a Lles**



My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 04 December 2013



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Councillor Russell Goodway
Cabinet Member Finance & Economic Development
Cardiff Council, County Hall
Cardiff
CF10 4UW

Dear Councillor Goodway,

**POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE
26 November 2013**

On behalf of the Committee, thank you for attending the meeting of the Policy Review and Performance Scrutiny Committee which considered the Council's updated Budget Strategy and Directorate Budget briefings. Committee Members have appreciated the approach which has been taken by you and your officers this year in working with all the Committees to prepare for the scrutiny of the 2014/15 budget proposals. As the Committee noted when it considered the Month 3 budget monitoring position and the Provisional Welsh Government Settlement, the Council faces a very difficult financial situation in the coming years and we welcome the opportunity to continue to work with you as detailed proposals develop.

The Committee had some comments resulting from the meeting, which are set out below.

Budget Strategy update

- Members were concerned that as a Council we should aim to learn from England's experience, where local government has been hit by budget reductions much faster than we have in Wales. We noted your comment that work is being carried out to learn from how English Councils have coped with falling budgets and we would like to receive further details if possible.
- With regards to your comments that the Council may have to consider raising Council Tax next year, we would support any moves by you to establish with the Minister the definitive Welsh Government approach to any cap on Council Tax rises. The Committee also queried whether any rise in Council Tax would result in a decrease in the level of savings required from directorates and noted that you could not confirm that this was the case at this point.

Resources Directorate

- Members noted that many sources of savings are being considered, including shared services, collaboration and income generation through CardiffWorks, and the Fleet service and the Occupational Health Service.



- Members would like to receive a copy of the KPMG report mentioned regarding Welsh procurement, as it may be useful background information for an item we may have scheduled for our 1st April 2014 meeting.

Corporate Management

- Members queried during the meeting whether recruitment to the vacant Head of Cabinet Office post would recommence. We noted your comment that this will be subject to discussion with the new Chief Executive, but that the decision had already been taken to delete the Corporate Director Operations post. Members query why different approaches have been taken.
- We would be grateful for a breakdown of expenditure against the Corporate Initiatives budget to date this year, and confirmation that this has been topped up via reserves in the current year. Members were concerned that this kind of action should be as transparent as possible.
- Please also provide a breakdown of the Precepts, Levies and Contributions section of this budget.

Economic Development Directorate

- Members noted that the major drivers for savings in this directorate are income generation and the reduction in consultancy spend, although there are also likely to be losses of posts.
- Members commented during the meeting that the transfer of the Council's Property Budget to the Economic Development Directorate would seem to be subsidising this budget, despite its high (50%) savings target.
- We recommend that further thought should be given to achieving sponsorship income in this Directorate, and were concerned that it is predicted that the income of a major attraction such as the Doctor Who Experience will fall short of the value of the loan to build the venue.
- The Committee were glad to hear that an asset management paving report will go to Cabinet in January with a more detailed report in March. We hope that you will engage with the Committee at the appropriate point and ask that officers work with Scrutiny Services to arrange this.

Finally, during its correspondence item later in the meeting, the Committee noted that there are a few letters written to you in recent months to which there are outstanding responses. We would be grateful if you would address them. Many thanks again for attending the meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nigel Howells', with a long horizontal flourish extending to the right.

**COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Christine Salter, Interim Head of Paid Service
Marcia Sinfield, Interim Section 151 Officer
Neil Hanratty, Economic Development Director
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee



My Ref: CM26134

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27 March 2014

Councillor Nigel Howells
Chair, Policy Review & Performance Scrutiny Committee
Scrutiny Services
Room 243
County Hall
Cardiff
CF10 4UW

Dear Nigel

BUDGET STRATEGY UPDATE

I refer to previous correspondence in the above connection. I think this is the last reply that I owe your committee before I bow out and, once again, I apologise for the delay in replying to you.

I believe our Scrutiny Committees have an important role to play in helping us respond to the financial challenges that all local authorities are facing. It is particularly important that the scrutiny process is part of the budget setting process, and I appreciated the support that was provided from the Council's Scrutiny Committees. I have set out below responses to some of the issues you raised with me during the most recent budget round specifically in relation to my own portfolio responsibilities.

Resources Directorate

I note that PRAP members requested a copy of the KPMG report regarding Welsh procurement. Please note this report is currently in draft status and is being reviewed and therefore is not available at present.

Corporate Management

As you state in your letter, Cabinet on the 16 December 2013 approved the deletion of the post of Corporate Director Operations. This was following advice received from the previous Interim Head of Paid Service and the new Chief Executive that they were content with this deletion.

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In addition the report contained a recommendation that the Chief Executive in consultation with the Leader and Deputy Leader review the senior management structure. It will be for the new administration to decide how best to take this forward. Suffice it to say that any changes will need to ensure that sufficient managerial capacity at a senior level is retained to ensure that the very serious financial challenges facing the council over the medium term can effectively be addressed.

Economic Development Directorate

I would like to strongly challenge the suggestion that the Council's property income has deliberately been transferred into the Economic Development portfolio to subsidise the service and protect it from having to make difficult cuts. This couldn't be further from the truth.

It was explained at the Scrutiny Committee meeting that if the anomaly of the International Pool Subsidy (of £910k) was rightly removed from the budget, the Economic Development Directorate generates enough income to fully cover its costs and creates a small surplus of £84k. However, as you will note, the service is still required to make substantial savings. This is because over £3m of property income is diverted to central coffers.

In total the amount that the Economic Development Directorate had to find in savings for 2014-15 is £1.173 million. This equates to approximately 50% of its net controllable budget (of £2.35m).

On the issue of generating further income, I fully agree, and you will be aware that a new approach to advertising and sponsorship is currently being taken forward by the service. Furthermore, I am keen for the commercial skill sets that exist within the Economic Development Directorate to assist other areas of the Council to identify new opportunities for income generation

Finally, I would like to reiterate my thanks to you and your fellow Policy Review and Performance Scrutiny Committee members for supporting the recent budget setting process. Furthermore, in signing off, can I express my personal gratitude to you and your committee for the manner in which I was received and dealt with during our various encounters. I thoroughly enjoyed our exchanges and I am grateful to you all.

Yours sincerely,



**COUNCILLOR RUSSELL GOODWAY
CABINET MEMBER (FINANCE & ECONOMIC DEVELOPMENT)**

My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 15 January 2014



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Councillor Russell Goodway
Cabinet Member Finance & Economic Development
Cardiff Council, County Hall
Cardiff
CF10 4UW

Dear Councillor Goodway,

**POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE - 7 JANUARY 2014
Central Transport Services and Facilities Management**

On behalf of the Committee, please accept my condolences on your recent bereavement and please pass on my thanks to the officers who attended the PRAP Scrutiny Committee meeting on 7 January 2014 to discuss Central Transport Services (CTS) and Facilities Management (FM) in the context of the Month 6 budget monitoring position. The Committee found this scrutiny a useful way to consider specific areas of the Council's budget in more depth and had chosen FM and CTS given the difficulties which they are experiencing in meeting their 2013/14 budget savings targets.

General comments

The Committee is concerned that that some savings proposals have been deemed to be entirely unachievable so soon into the financial year. Several proposals – for example improving driver behaviour savings in CTS and security savings in FM - had been assessed as 'Amber/Green' in terms of their achievability. We would therefore have expected the likelihood of their being delivered would have been relatively high. As Scrutiny Members we rely on the assessments provided with the budget proposals in order to allow us to make informed recommendations, so this was a matter of some concern. We were reassured by the Corporate Director – Resources that lessons have been learned from this and that the 2014/15 budget process will include an assessment of the planning status of savings proposals (although we recognise that inevitably not all savings would have a detailed delivery plan in place by the time that the budget is agreed). We would like to have access to those that are in place in February to aid our consideration of the budget. The Committee would be grateful if officers could arrange for them to be available upon request, as discussed at the meeting.

Central Transport Services

Whilst disappointed with the difficulties in achieving savings targets, Members were positive about the work which CTS is undertaking to plan for the future, for example



in terms of Service Improvement activity, and commend the officers involved. The Committee noted that one of the outcomes will be the flattening out of working patterns through the week which should reduce the service's reliance on overtime.

The Committee heard that buy-in across the Council is vital in terms of changing driver behaviour to drive out future savings. We were pleased that the service is aiming to take a strong stance with directorates through the Vehicle Usage Policy, once developed, for example in requiring a demonstrable business case before vehicles are allowed to be driven to officers' homes overnight.

The Committee discussed the Cabinet decision to investigate the viability of CTS becoming a Trading Company. While the Committee understands the basis on which this decision has been made, in that it may allow the service to generate more income, the Committee had some concerns as to whether this is an area in which the Council should seek to compete with the private sector.

Members also discussed the service's recent move to the new Coleridge Road facility on an invest to save basis and whether this investment would still pay off should CTS move in a new direction. We hope that, as stated by the Corporate Director Resources, lessons will be learned and that future Invest to Save schemes will be subject to increasingly robust testing in future.

There were two points of further information which the officers agreed to send the Committee:

- a breakdown of savings targets for both CTS and FM for the 2011/12, 2012/13 and 2013/14 financial years;
- an assessment of the costs of officers using pooled cars while travelling on Council business versus the cost of mileage.

Facilities Management

The Committee welcomed the work being undertaken by the Operational Manager to develop a strategy to take the service forward, including potential collaborative opportunities, as well as efforts to improve the service's relationship with Schools. Members raised the difficulties faced by the service in a rapidly changing and increasingly competitive marketplace. The Committee queried how easy it would be for the service to plan without having a publically stated position with regards to the future of the Council's operational estate. We received a brief update from the Corporate Director – Resources regarding the former OurSpace programme which has now developed into an 'OurSpace lite' project. We noted that there is still uncertainty over the future of County Hall, which has stopped previously planned refurbishment work and hope that the position will be clarified in the very near future. The Committee also discussed with some concern the maintenance backlog which is facing the Council, and questioned whether unnecessary spend can be effectively avoided without a public position regarding the Council's estate.

2013/14 Month 6 Budget Monitoring report

Members discussed the presentation of budget monitoring information more generally during the meeting. The Month 3 monitoring report included a full breakdown of savings projections against each of the budget proposals, which Members found useful in understanding where issues are arising across the Council.

As this information was not made available with the Month 6 report, we recommend that it is reinstated with the Month 8 report.

With regards to the transfer of the Strategic Estates services from the Resources Directorate the Committee reiterated points it made during the Economic Development directorate budget briefing that where services are transferred between directorates, this should be made more visible to Members in future. This is particularly important given the bearing which this can have on directorates' overall budget position and Scrutiny Committees' ability to monitor this.

Public Sector Asset Management

Finally, the Committee considered the Cardiff Partnership Board Scrutiny Panel's report regarding Public Sector Asset Management at the same meeting. As this area falls within the remit of your Portfolio, the Committee would like to commend the report to you, and I have therefore attached a copy.

Yours sincerely,



COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Christine Salter, Corporate Director
Lesley Ironfield, OM Facilities Management
Steve Robinson, Head of Commissioning and Procurement
Graham Craven, Head of Service
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee

**CABINET SUPPORT OFFICE
SWYDDFA CYMORTH Y CABINET**

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27 March 2014

Councillor Nigel Howells
Chair, Policy Review & Performance Scrutiny Committee
Scrutiny Services
Room 243
County Hall
Cardiff
CF10 4UW

Dear Councillor Howells

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE - 7 JANUARY 2014
Central Transport Services and Facilities Management

Thank you for your letter of the 15 January 2014 in relation to the Policy Review and Performance Scrutiny Committee on the 07 January 2014 regarding Central Transport Services and Facilities Management.

I understand your concern in respect of unachievable savings and this was one of the reasons why a planning criterion was introduced within the 2014/15 budget savings identification process. The planning status of proposals will be used as a key measure to monitor the achievement of the savings during the year but was also useful as a tool to aid challenge during scrutiny sessions.

Please find attached the report completed by the Energy Saving Trust, Green Fleet Review Programme which was funded by the Welsh Government in 2011. This gives an insight in the cost of officers using pool cars whilst on council business compared to claiming mileage.

The executive summary states that staff owned cars travelled 3.45 million miles in 2009/10 at a total cost of £2.85 million or £0.83/mile. (At current mileage rates following the introduction of the Single Status Agreement the cost would be £1.5 million).

In moving away from the use of grey fleet the report recommends use of pool cars and hire cars (for journeys over 80 miles) as well as video conferencing, bus passes, rail cards, cycling and walking. The City Car club is also recommended for promotion and use. Further work would need to be done to ensure the pool car fleet is optimised by more in depth analysis of Grey Fleet claims. See page 8 of report attached.

Also attached is a breakdown of savings targets for both CTS and FM for the 2011/12, 2012/13 and 2013/14 financial years, as requested.



As you will now be aware, the Month 9 monitoring report included reference in the directorate narratives to the position against budget savings proposals as an alternative to inclusion as an Appendix. However, I understand that the Section 151 Officer would intend utilising an Appendix for this purpose in the Month 3 report for 2014/15.

With regards to the transfer of Strategic Estates, this resulted from the responsibilities set for the new Director posts which were recruited to during 2013.

Yours sincerely,



COUNCILLOR RUSSELL GOODWAY
CABINET MEMBER (FINANCE, BUSINESS & LOCAL ECONOMY)

Enclosures:

Report completed by the Energy Saving Trust, Green Fleet Review Programme

Breakdown of the budget savings in relation to CTS and FM over the three years
2011/12, 2012/13 and 2013/14

Green Fleet Review

Energy Saving Trust

Cardiff Council

by Gfleet Services Ltd

July 2011

WGFR/0910/11



energy saving trust
ymddiriedolaeth arbed ynni



Llywodraeth Cymru
Welsh Government



Helpu Cymru i leihau
ei Hôl Troed Carbon
Help Wales reduce
its Carbon Footprint

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1 Introduction

Energy Saving Trust's (EST) Green Fleet Review (GFR) programme is funded by the Welsh Government (WG) and offers consultancy to organisations which operate more than 50 vehicles as part of their everyday business operations. The review aims to identify how a fleet might emit less carbon dioxide and so reduce costs, without hampering business efficacy. The central message of all reviews is about driving lower carbon vehicles, driving them better and driving them less. EST uses ideas of good practice and its experience of many different kinds of fleet in order to highlight only what is possible and what is practical.

The GFR is limited to vehicles with a gross weight of 3.5 tonnes or less and looks at all vehicles up to this weight which are driven on business, be they directly sourced by the organisation or private vehicles which are funded through cash allowances.

It has to be appreciated that the consultants have a short period of time in which to audit an entire fleet function, but the GFR allows an external expert to gain an insight into the fleet operations, and provide key recommendations to assist the organisation to realise its environmental goals. All this has to take into consideration the wider needs of the organisation's core business activities and objectives, and hence has to be context sensitive.

Organisation Background

Cardiff Council is the shortened name of the County Council of the City and County of Cardiff (Dinas a Sir Caerdydd). It is the governing body for Cardiff and is a unitary authority responsible for the provision of all local authority services to the people of Cardiff. With a population of 341,000 (mid 2010) and an area of 6.65 km² it is the largest city and most populous county in Wales.

Cardiff is the capital city of Wales and is important to the Welsh economy accounting for up to 20% of Welsh GDP. It grew rapidly during the industrial revolution when it was, for a short time, the world's busiest port exporting coal from the Welsh valleys.

It is now a major centre for finance and business services with many international companies having important offices in the city ranging from regional headquarters to call centres.

In 2011 the authority is faced with achieving expenditure savings as well as significant carbon reductions. Against this background the Transport Manager, Richard Jones, requested a Green Fleet Review in November 2009 but delivery was delayed until 2011 due to funding restrictions. Objectives included determining carbon footprint, understanding fleet efficiency and help focusing on reducing carbon dioxide emissions.

Key People

The following Cardiff Council employees were involved in the supply of data for this report, the site meeting and a discussion of the initial findings:

- Richard Jones Transport Manager
- Adrian Dennington Central Transport Services Manager
- Maureen Gaskell Administrator
- Stephen Gerrard Passenger Transport Manager
- Steve Knowles Sustainable Development Officer
- Claire Owen Sustainability Officer
- Alison James Quality & Performance Officer
- Sharket Av Procurement Officer
- Steve Pearse Procurement Consultant

2 Executive Summary

By switching to HMRC mileage rates Cardiff Council could save £1.5 million/annum and the anticipated 10% reduction in mileage would result in a further saving of £155,000/annum and 104 tonnes/annum of carbon dioxide.

Implementing accurate and "real-time" fuel monitoring across the fleet owned and operated by the council should **save £105,000 (245 tonnes of carbon dioxide)** and if followed up by targeted training and benchmarking of vehicle performance **an additional £95,000 and 220 tonnes of carbon dioxide would be saved.**

Other savings are available from the optimisation of the use of the existing pool fleet (£37,000/annum) and the greater use of video and teleconferencing (£19/hour staff travel time and £0.45/mile at HMRC rates).

The current Grey Fleet of staff owned cars drove 3.45 million miles in 2009/10 at a total cost of £2.85 million or £0.83/mile. It is calculated that the cost will have risen to £0.89/mile in 2011/12 due to increases in National Joint Committee (NJC) rates. The highest mileage drive was by a "Casual" user and some so-called "Essential" users did not claim any mileage in 2009/10. The data shows no public service-led justification for designation of some drivers as Essential and the rates paid to Casual users £0.65/mile cannot be cost justified in a fleet with an average age of 6.7 years (the oldest vehicle used was 41.3 years old).

Many public sector bodies, including local councils, are now moving to the HMRC Approved Mileage Rate of £0.45/mile up to 10,000 miles and £0.25 thereafter. This system is simple to administer (tax free) and does not have different rates for different engine sizes or category of user. Of the £1.5 million Cardiff would save, £880,000 comes from Essential user allowances and a further £112,000 from National Insurance contributions.

In order to move staff away from Grey Fleet use, easily accessible and reliable alternatives must be presented. These include video conferencing - which also saves staff time - walking routes, cycling, electric bikes, Cardiff cycle club membership, bus passes and easy access to train tickets.

Where a car is the only option then a council fleet of low carbon, low emission and safe Pool Cars (and Vans) should be available to staff to book and drive. This should be supplemented by the mandatory use of Hire Cars for all journeys over 80 miles/day.

The existing pool fleet, operated by individual departments, is underutilized and therefore expensive. It is therefore proposed that the fleet is operated as a single council-wide fleet, that staff book the vehicles (ideally on-line) and that departments are recharged on a mileage or hourly rate basis (whichever is the higher cost). An hourly rate is required to stop staff "hogging" vehicles by booking for the full day but only driving a few miles.

There is an urgent need to obtain accurate fuel data from new monitoring systems as the council spent an estimated £1.1 million on the fuel for the fleets identified in this review and we understand that the total spend on road fuel (including the bus fleet) is at least £2m.

Monitoring fuel use and reporting mpg and g/km to drivers and line managers can result in savings of 10% or more. Using the data to follow up on poorly performing vehicles or drivers and to provide driver training can save a further 10%. In the longer term, accurate fuel use data also informs procurement and can ensure that the next generation of vehicles is lower carbon in use than the current ones. Accurate monitoring is also essential if the council is to be sure it is not the victim of fuel theft which is not uncommon when monitoring is weak or non-existent.

These potential savings of nearly £200,000/annum should more than pay for the first year of implementation of any new IT systems needed to ensure the fuel data is accurate and collected from all sources.

The council may also wish to support the development of a car club in Cardiff. City Car already operates in the city and has 12 sites but only 6 cars. For some journeys (over 22 miles/hour but less than four hours duration) a car club vehicle can be good value. As a business the council would get special rates for staff to become members, and employees are then able to use the vehicles for both business and private journeys (for which they pay). This can be a benefit as it saves them the cost of car ownership.

To improve the vehicles driven by staff and to offer a benefit that may actually save the Council money (reduced National Insurance Contributions) it is suggested that a Salary Sacrifice Lease Car Scheme is offered to staff. This allows them to sacrifice some of their salary to allow the council to lease and insure a car for them to use. To be tax efficient (it is treated as a company car) the vehicle must be low carbon (ideally under 100 g/km) and the council should also require it to be safe (NCAP 4 Star) and fitted with Electronic Stability Control (see Appendix C).

The van fleet is large and the vehicles in it show wide variations in fuel consumption (even between similar models). These variations should be investigated and the cause of high consumption determined: driver, vehicle or usage cycle.

The biggest savings in a van fleet come from downsizing the fleet. Each step down in vehicle size saves approximately 30% in fuel use and the vehicle will cost significantly less to buy or lease. Current use should be reviewed to see if a just-in-time to site supply chain would allow trades to use smaller tools-only vans, saving on the cost of the van, the cost of fuel and the time staff spend at trade merchants. The smaller vans will also produce less carbon.

Finally it should be noted that the council has a large fleet of vehicles that are on daily rental but have been hired for, in many cases, years. This is not usually a cost effective method of long term ownership. Despite these vehicles being on fleet for such extended periods, the council was not able to supply any data regarding mileage or fuel use. Given that many of the vehicles were high fuel consumption waste trucks this is a concern. It is estimated that at least £250,000 of fuel was used by this fleet and there would appear to be no easily accessible audit trail for this large expenditure.

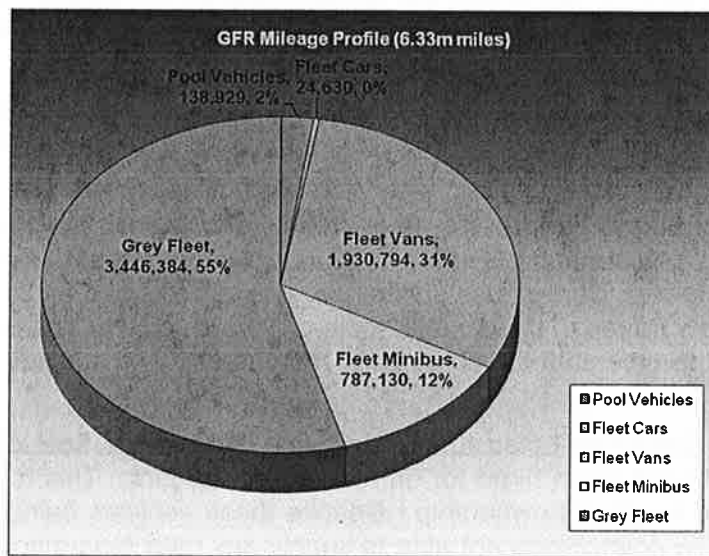
Reducing the cash incentive to drive Grey Fleet miles, providing easy to use alternatives and implementing accurate and robust fuel management systems should save Cardiff council nearly £2 million and reduce its carbon emissions from transport by at least 500 tonnes.

Further work may be needed to ensure the Pool Fleet size is optimised by more in-depth analysis of Grey Fleet claims. This may appear a labour intensive exercise but will be vital to inform procurement of the optimum structure of this fleet. There is also a need to review the van fleet to ensure it is matched to the role and to review working practices to see if it can be downsized.

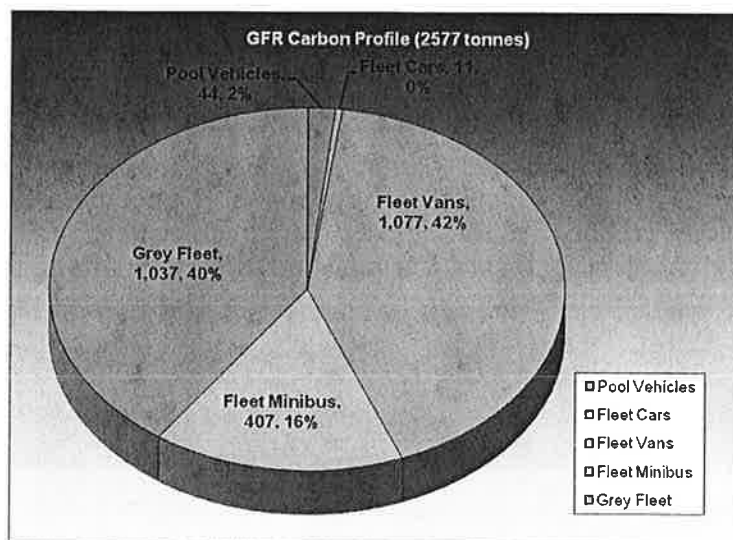
3 Road Transport Carbon Footprint 2009/10

Fleet	Units	Carbon (t)	%	Miles	%	Notes
Pool Vehicles	25	44	1.7%	138,929	2.2%	Information on vehicles over 3.5 tonnes is given in Appendix G
Fleet Cars	4	11	0.4%	24,630	0.4%	
Fleet Vans	286	1,077	41.8%	1,930,794	30.5%	
Fleet Minibus	133	407	15.8%	787,130	12.4%	
Grey Fleet	3,067	1,037	40.2%	3,446,384	54.5%	
		2,577 tonnes		6,327,867 miles		

The fleet 3.5 tonnes and under drove 6.3 million miles and produced 2,600 tonnes of carbon dioxide in 2009/10.

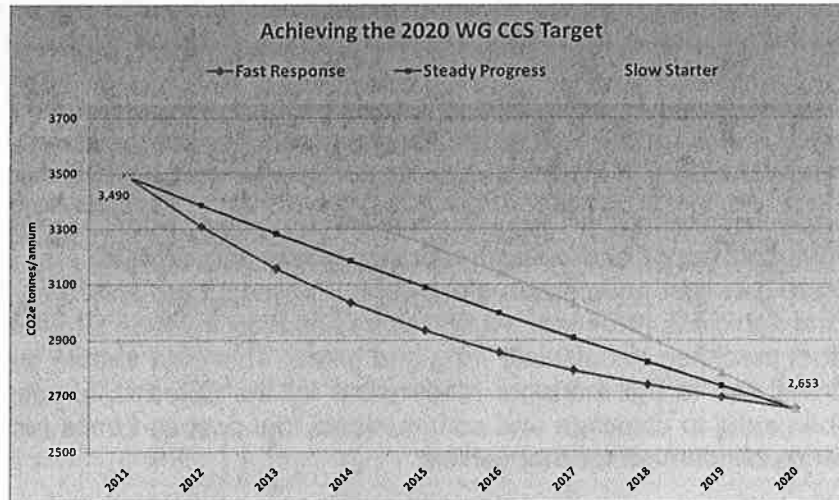


The Grey Fleet accounted for over half (55%) the mileage of the five fleets. However it was only responsible for 40% of the carbon emissions as the van and minibus fleets are more carbon intensive.



4 WG Carbon Reduction Target 2011-2020

The Welsh Government (WG) Climate Change Strategy (October 2010) sets a target of a 3% year-on-year reduction in carbon emissions from 2011 to 2020 and an overall reduction of 40% by 2020 (from 1990 levels). The graph below shows how the 2020 target arising from the 3% reduction can be achieved: by a **Steady** year-on-year reduction of 3% (blue line) by a **Fast** initial reduction and then a slower year-on-year reduction (green line) and finally by a **Slow** start followed by a rapid improvement in the later part of the decade (yellow line). All three achieve the same outcome; a reduction in carbon emissions from 3490 tonnes (including HGVs) to 2,653 tonnes of carbon dioxide in 2020.



Although all three approaches result in Cardiff Council meeting its target the total carbon emitted – and therefore the cost of fuel burnt – is very different:

	Fast	Steady	Slow	Fast	Steady	Slow
Without Reductions	34,900 t CO ₂			£14,011,351		
With Reduction	29,656t	30,546t	31,456t	£11,879,970	£12,238,292	£12,605,021
Saving	5,244t	4,354t	3,444t	£2,131,381	£1,773,059	£1,406,330
Benefit over "Slow"	1,800t	910t		£725,051	£366,729	

The fast initial response will result in a 5,244 tonne carbon dioxide saving over ten years; or 1,800 tonnes more than the slow response. **The financial saving on the fuel burnt is also significantly increased from £1.4m over ten years to £2.1m.**

The Department for Energy and Climate Change (DECC) Inter-departmental Analysis Group (IAG) "Central" fuel cost forecast data has been used in this model and all savings are at 2010 values. The IAG forecast considers fuel price increases due to changes in the underlying price of oil so the increase is real and not due to price inflation or tax changes. There are four IAG forecasts: "Low", "Central", "High" and "High-High". Under the "High-High" forecast the price of fuel in 2020 is predicted to be £1.67/litre. **If "High-High" is used in this model the value of the fuel saving arising from the "Fast" route increases to £2.8m equivalent to £527,000/annum by 2020.**

The advice in this review would, if implemented over the period 2011/12 set Cardiff Council on the route to achieving a Fast reduction in Carbon emissions with carbon and cost savings as high as 10%/annum in the early years.

5 Main Recommendations

5.1 Improve Fuel Management Systems

Cardiff Council was able to supply data about the vehicles in use in 2009/10; whether directly owned, leased or on daily rental (spot hire). Vehicle management information appeared to be robust and fit for purpose. However accurate information regarding the mileage driven and fuel purchased in 2009/10 for each vehicle was much harder to source and was completely unavailable for the daily rental fleet which included many waste vehicles (very high consumers of fuel).

Managing fuel use (and therefore cost and carbon) requires systems to be in place which record the fuel use of each vehicle and the mileage driven using that fuel. This provides an element of the audit trail from fuel purchase to use on council business. Fuel expenditure at Cardiff Council is estimated to be at least £1 million/annum (based on the vehicles identified in this report) and at the interim meeting a total expenditure of £2 million/annum was mentioned which includes vehicles outside the scope of this report (e.g. Cardiff Bus).

Accurate monitoring of fuel purchase combined with "real-time" reporting of fuel consumption (mpg) and carbon intensity (g/km) can achieve real savings in fuel use and therefore fuel cost and carbon emissions. For most cars and vans "real-time" means each time the vehicle is refuelled. At that point accurate mileage should be recorded and linked with fuel purchase to calculate mpg and g/km. This data should then be communicated to the driver and to the manager responsible for the operational use of the vehicle. It may also be useful to calculate and communicate fuel cost as £/mile (or £/km) and to provide a reference benchmark for that vehicle.

For HGVs there are systems that continuously record fuel use with in-line flow meters and GPS telemetry. This allows the performance of individual drivers to be recorded as well as monitoring the performance of individual vehicles on specific routes (e.g. a waste collection round).

A good fuel management system must be able to integrate fuel purchase data from a number of sources such as bulk tanks, fuel cards and even cash purchase to ensure that for each vehicle there is a complete and robust fuel record. A similar monitoring system should be in place for fuel purchase relating to plant, mowers and other similar equipment. Again it should be possible to relate fuel purchase to fuel use measured as mileage driven or (in the case of some plant) hours operated.

It is understood that the Fleet Team is in the process of implementing systems to accurately record fuel purchase and use. The potential savings (see below) are significant and can justify the necessary investment. Payback in other organisations that have implemented robust fuel monitoring has been as little as six months.

Good fuel management will allow Cardiff Council to determine a number of factors:

- Poor or good driving style and the need for driver training.
- Mechanical problems with the vehicle's engine or transmission/tyre issues.
- An issue with the vehicle's suitability to a particular route or work cycle.
- Misuse of fuel via theft. (This is not uncommon where fuel control is poor.)

Experience in other fleets suggests that the introduction of accurate monitoring and reporting alone can reduce fuel use by 10%-15%. If the HGV and Spot Hire fleets are included a 10% saving would be equivalent to 245 tonnes of carbon dioxide or £105,000 of fuel – this saving could be doubled if applied to the fuel use that fell outside the scope of this review.

Once monitoring is in place Driver Training can be established and the data will allow the least fuel efficient drivers to be targeted for initial training (see Appendix D for EST Training Scheme). Training can result in 10-15% savings although the difference between the best and worst drivers can be as high as 40%. Savings are often greatest in the HGV and Waste fleets.

A further 10% improvement in fuel economy across all fleets (including HGVs and Spot Hire) would result in the saving of a further 220 tonnes or £95,000/annum. Again this would be doubled if applied to fuel use outside the scope of this review.

By implementing a robust fuel management system savings of over £200,000/annum could be achieved and carbon emissions would then be reduced by 465 tonnes. Those savings could be doubled if the system is applied to fleets outside the scope of this review.

5.2 Make the Grey Fleet Car the Option of Last Resort

The average cost of a 2009/10 Cardiff Council Grey Fleet vehicle at £0.83/mile was poor value for money. It is estimated that the cost will have risen to £0.89/mile in 2010/11 and 2011/12 on a like-for-like basis.

The 2009/10 Grey Fleet had an average age of 6.7 years and contained a substantial proportion of vehicles that did not meet acceptable emission (Euro) or safety (NCAP) standards. It was also a higher carbon fleet containing a substantial proportion of old, petrol powered vehicles. In summary: expensive, old, dirty, less safe and higher carbon.

Detailed analysis of Grey Fleet usage at other unitary authorities shows that the vehicles will be used for the transport of equipment, colleagues and clients. This is a concern given the profile of the fleet. The local authority has a duty of care to its entire staff and to members of the public to ensure that the vehicles used for the business of the council are fit for purpose; safe and well maintained (see Appendix B). This duty applies regardless of ownership.

To make the Grey Fleet the “Option of Last Resort” the authority must provide viable alternatives.



Providing alternatives should fit within a hierarchy or decision tree that staff should be required to consider before using a Grey Fleet vehicle.

The OGC (Office of Government Commerce) Decision Wheel which forms part of its Grey Fleet Toolkit is shown on the left. Not all these options would be appropriate to Cardiff as the council does not offer lease cars. Equally other options such as audio conferencing, use of walking/cycling and possibly use of car club vehicles should be considered. The Countryside Council for Wales

Decision Tree (Appendix F) is an alternative tool that considers a wider range of options.

Proposed Cardiff Council Transport Hierarchy:

1. Teleconferencing: Video, Audio or Web Conferencing systems save travel time.
2. Walking/Cycling: In urban areas this can be quicker desk-to-desk than a car.
3. Bus Transport: Bus pass scheme for all council staff. No need for cash.
4. Rail Transport: On longer journeys the time can be used effectively for work.
5. Pool Car: Low carbon, low emission, safe and recharged at £0.45/mile.
6. Car Club: May be a viable alternative to the Pool Car in some circumstances.
7. Hire Car: Mandatory for any journey that averages over 80 miles/day.
8. Grey Fleet: The option of last resort limited to 10 miles/day and 1,000 miles/year.

It is very important to make the first four options easy to access. Of these, the first is the most important because it avoids travel altogether thereby saving time as well as travel costs. At the public sector median earning of £554/week (2010 Data, ONS), and assuming 30% on-costs, the average employee costs about £19/hour; when travelling by car this cost is in addition to mileage payments. When travelling on a train they may be able to use the time to work effectively (depending on the nature of their job).

The use of cycling and walking can be encouraged by providing simple guides to key routes (e.g. between offices). It is often the case that the best route by bike or foot will not be the same as the car route but car drivers will be unaware of the "shortcuts" available to walkers and cyclists.

Cycling can also be encouraged by the provision of suitable facilities (for bikes and people), and the council should also investigate the provision and use of electric cycles which can significantly extend the type and length of journey possible with a bicycle. Staff should have easy access to the Cardiff Bike Scheme (e.g. annual registration paid by the council).

The provision of a Pool Car and/or Car Club fleet is discussed in full in section 5.3. A Pool Fleet, which may also be integrated with a Car Club fleet, should meet the majority of local car travel needs.

The break point for mandating a Hire Car is a journey that will average 80 miles/day. This is calculated on the basis that a lower carbon hire car will cost up to £0.12/mile for fuel. Using the HMRC mileage rate of £0.45/mile that leaves £0.33/mile to cover the cost of hire and at 80 miles/day that is equivalent to £26.40/day for which a Ford Focus or Vauxhall Astra size car can be hired (self-insured and ex VAT).

All hire cars should be limited to 120 g/km carbon emissions and at least NCAP 4 Star safety standard, the exception being people carriers which can have higher carbon emissions (up to 160 g/km) but must meet the NCAP 5 Star standard. The hire company agreement should have compliance monitoring against these standards built in and target percentages set (with penalties).

This process leaves the Grey Fleet car as the option of last resort. It may sometimes be needed to get to a transport hub such as a railway station or a pool car base but it should not be the first choice option. If it is used there must be a mechanism in place to ensure it is fit for purpose, roadworthy and insured.

5.3 Enhance the Pool Fleet, Improve Utilization, Consider a Car Club

There is a small pool fleet of 25 vehicles at Cardiff Council and the vehicles are allocated to departments and are not for general use. The average annual mileage of this fleet is 5,557 miles. At that level the cost of depreciation in terms of £/mile will be high and the overall cost of the pool fleet in terms of £/mile is likely to be at least as expensive as the Grey Fleet. It is, however, mostly low emission, safe and low carbon. There is one 15 year old vehicle (a 1995 VW Golf) that should be disposed of immediately.

Utilization is likely to remain low as long as the vehicles are operated by departments and so it is recommended that the vehicles are reassigned as a Council resource bookable (on line) by any authorised employee with a valid driving licence (checked with the DVLA). The vehicles' use will be recharged to departments on a mileage or hourly basis.

The aim should be to achieve utilization of at least 8,000 miles/annum and preferably 10,000 miles/annum. Transferring 112,500 miles to this fleet (4,500 miles, 25 vehicles) from the Grey Fleet would save £100,129 in mileage payments at £0.89/mile and would cost about £13,500 in additional fuel. Even at HMRC rates the net saving would be £37,125. The additional mileage would have a small impact on residual value.

With staff driving 3,446,384 miles/annum in private vehicles there is clearly room to expand the Pool Fleet. However, the optimum size is difficult to assess from annual mileage data.

and detailed analysis of Grey Fleet claims is needed to determine the percentage of journeys that could be completed by foot, cycle or bus, the percentage over the 80 mile/day hire threshold and the residual which should be the target of the Pool Fleet.

The detailed analysis can be a snap-shot of one month's claims looking at individual journeys. Unfortunately this can be a labour intensive process if the council staff do not have access to an on-line expenses system and are still using paper claims forms.

There is also the problem that the actions proposed (e.g Transport Decision Tree, HMRC mileage rates) will reduce driven mileage so the demand for the pool fleet will not be as great as the current Grey Fleet Mileage suggests.

But, with nearly 3.5 million Grey Fleet miles driven in 2009/10, a Pool Fleet of an additional 50 vehicles which will increase capacity by at least 500,000 miles/annum is a safe starting point. These vehicles should be deployed at locations with high Grey Fleet mileage claims.

Pool Vehicle Choice:

When considering pool vehicles for use in an urban area there is a need to balance the lowest carbon vehicle available with the need to ensure that the vehicles do not contribute to poor air quality. The two main air pollutants in an urban area are nitrogen oxides (NO_x) and carbon particulates (PM¹⁰) and both of these are produced by diesel engines. Cardiff Council has four Air Quality Management Areas (AQMA) all due to high levels of NO₂.

Diesel engines tend to be more fuel efficient than petrol engines and so there may be a conflict between low carbon and low emission (air quality). It is also the case that the low carbon cars tend to come with a price premium and this is particularly true of petrol/electric hybrids which try to achieve the low carbon emissions of the diesel without the pollutants associated with burning diesel:

Make	Model	List OTR	CO ₂	NO _x	PM ₁₀	Urban mpg	Life Cost Fuel	Life CO ₂ (t)
Fiat	Panda 1,2 (E5) M5	£8,155	113	19	0	44.1	£3,569	7.11
Toyota	Aygo 1.0 VVT-i	£8,485	105	15	0	51.4	£3,062	6.10
Vauxhall	Corsa 1.0i 12v M5	£11,365	117	41	0	44.8	£3,513	7.00
Fiat	500C TwinAir Dualogic SAT5	£13,865	92	34	0	61.4	£2,563	5.11
VW	Polo 1.2 TDI Bluemotion	£14,860	89	148	0.25	68.9	£2,413	5.23
Toyota	Prius T3 1.8VVT-1	£20,695	89	6	0	72.4	£2,174	4.33

The calculations above are based on three years at 10,000 miles/annum. Over the same period a Cardiff Council Grey Fleet vehicle with average emissions of 157 g/km would produce 7.85 tonnes of carbon dioxide and cost about £24,000. The Grey Fleet in 2009/10 was 72% pre-Euro 4 and 42% did not meet the NCAP 4 Star safety standard.

The diesel VW Bluemotion has an OTR (on the road) price of £14,860 and carbon emissions of 89 g/km while the Toyota Aygo OTR is £8,485 but it produces 105 g/km of carbon dioxide.

The Polo may seem to be the better option but two VWs (£29,000) would displace only two Grey Fleet vehicles saving 5.25 tonnes of carbon dioxide, while three Aygos (£25,500) would displace three Grey Fleet cars and would also save 5.25 tonnes of carbon dioxide at a lower capital cost.

Furthermore, the petrol powered Aygo has NO_x emissions of 15 mg/km; one tenth those of the Polo at 149 mg/km.

Selecting a pool vehicle is therefore not just a matter of choosing the lowest carbon or the cheapest. It is a matter of comparing all the options and, especially in an urban area with

air quality issues, placing a value on low levels of nitrogen oxides (NO_x) and carbon particulate (PM¹⁰) emissions.

Car Clubs:

Car Clubs offer a further degree of flexibility (see Appendix E) and Car Club booking technology is "smart" and encourages maximum use of the asset. This is important; increasing a Pool Car's annual mileage from 10,000 to 15,000 miles/annum will have a small impact on residual value (and therefore increase depreciation cost) but will significantly reduce the overall cost in £/mile. Unfortunately the technology in the car and the office is costly and at the moment there are no priced offers on the market to provide Pool Fleet management by this route.

An extra 5,000 miles/annum on a Pool Fleet of 75 vehicles is 375,000 miles. At HMRC rates that is a saving of £123,750 net of fuel. There will be a greater impact from higher depreciation but that will be more than offset by the overall reduction in cost £/mile.

A privately owned and operated Car Club might provide additional capacity and a new service to the public but in many situations it will not be lower cost than a Pool Fleet. City Car Club already operates in Cardiff and currently has 6 vehicles in 12 locations across the city. Membership is £50/year/person, the vehicle is charged at an hourly rate (from £5.20/hour) and mileage costs £0.22/mile. Excluding the membership fee, this meets the target cost (£0.45/mile) for journeys over 22.6 miles/hour but is more expensive for shorter journeys. After four hours a hire car is normally better value.

The biggest benefit of the Car Club vehicle is the greater flexibility; it can be used by the public, and staff can also use the vehicles for private mileage for which they are billed directly. This may mean that some staff no longer need to run a second car and that can be an indirect financial benefit. The council is also using staff business mileage to help support a public service (the Car Club).

5.4 Remove the Financial Incentive of NJC Mileage Rates

The NJC system of Essential car user allowances and high Casual rates is regressive. It rewards large engine vehicles and pays high mileage rates that encourage staff to make journeys. It is also very complex to administer involving twelve different mileage rates, four of which exceed the current tax-free HMRC Approved Mileage Allowance Payment (AMAP) scheme of £0.45/mile up to 10,000 miles and £0.25 thereafter.

The high rates are eligible for National Insurance and income tax (in one case on 1.9p/mile) and the low rates technically allow staff to claim the shortfall against tax. Administration is made even more complex by the fact that the break point for lower mileage rates in the NJC scheme is 8,500 miles/annum but in the HMRC scheme is 10,000 miles/annum. The Essential User allowance (up to £1,239/annum) is regarded by HMRC as taxable pay.

By moving to the HMRC AMAP scheme of £0.45/mile up to 10,000 miles and £0.25 thereafter all liability for tax and National Insurance is removed and the incentive provided by mileage rates as high as £0.65/mile is reduced. Administration is greatly simplified. Even so, a rate of £0.45./mile paid on cars with an average age of over 6.7 years (and therefore with low depreciation) is still a financial incentive.

It is quite clear from the detailed Grey Fleet mileage data (see Section 6.2) that the Essential User allowance does not always reflect service need and that it is impossible to tell from annual mileage if an employee is an Essential User or not. The highest mileage employee (16,182 miles/annum) is a "Casual" user and several "Essential" users did not claim for any mileage in 2009/10.

Moving to the HMRC rates would save up to £1,523,000/annum, mostly from removing essential user payments (£881,000/annum) and National Insurance payments (£113,000/annum).

However the move to HMRC rates would also reduce the financial incentive to drive and this should lead to a further reduction in driven mileage. It is difficult to predict the degree of reduction but 10% is not atypical and this would be equivalent to 345,000 miles or £155,000 (at HMRC rates) and 104 tonnes of carbon dioxide.

It is appreciated that a move to HMRC rates represents a change to T&C of staff but a number of local authorities have now made the move or are planning to do so this year. Some public sector organisations such as the HMRC itself and the Countryside Council for Wales (CCW) moved to HMRC rates some years ago and have since moved to paying a "public transport" rate of £0.25/mile if a journey is made in a Grey Fleet vehicle when a viable alternative (video, web, bus, train, pool, hire) is available. It is understood some organisations are now considering a zero rate (£0/mile) in these circumstances.

The use of a low rate (£0.25/mile) removes all financial incentive to use a Grey Fleet vehicle and can result in significant reductions in Grey Fleet mileage (see Appendix F – Countryside Council for Wales). However this lower rate can only be introduced when the alternatives are available and accessible.

5.5 Investigate Fuel Use in the Van Fleet and Downsize if Possible

The poor quality of the mileage and fuel data did limit detailed analysis but where clearly false results were stripped out some basic analysis was possible and this serves to illustrate how accurate fuel and mileage data can be used to measure vehicle and driver performance.

Once the new fuel management systems are in place and monthly reporting is easy both line managers and the fleet manager can begin to manage fuel use.

Model	Qty	OEM Urban	Worst mpg	Average mpg	Best mpg
Transit 330M	47	25.9	4.6	16.8	35.5
Connect TDCI LWB	24	37.2	24.5	29.5	35.8
Transit 350 LWB	19	24.5	10.5	14.9	20.4

OEM: Original Equipment Manufacturer

There is wide variation in the performance of these vehicles which may be due to the data, to the driver, to the load, to the usage or to some other factor such as fuel theft. Clearly if all the Ford Connects achieved 35.8 mpg the council would save about 15% on its fuel bill for those 24 vehicles. A variation between the best and the worst driver of 40% is not unusual so some of these results may reflect real world performance.

Monitoring, setting benchmarks, providing feedback and investigating persistent poor consumption are all facilitated by accurate fuel use data.

Downsizing the van fleet can achieve significant fuel savings. Research suggests that the saving can be up to 30% from moving just one step down the van size band. In some organisations the trades drive around in small vans with their tools and the materials they need are delivered to site "just in time" by contracted suppliers. This smaller van saves fuel and also costs less to buy and operate.

It is better to operate a small or medium van full of equipment (this will lead to an 8% increase in fuel consumption over empty) than a large van half empty (30% increase in fuel consumption).

5.6 Salary Sacrifice Car Lease Scheme

With no lease car scheme one cost effective option for the small number of “business-need” high mileage employees is not available. There are a few staff for whom a lease car might have been a cost effective option. With a threshold of at least 6,000 business miles/annum and with staff contributions for “actual” private mileage a lease car can be a low cost solution.

An alternative that is being used in some local authorities, and more widely in the National Health Service, is a Salary Sacrifice Car Lease Scheme. Employees sacrifice an element of salary which is used to lease and insure a car on the employee’s behalf. The car is fully funded by the sacrifice and the council can benefit from the reduction in National Insurance payments.

As the vehicle is taxed as a company car, for the scheme to be tax efficient the vehicle should be below 120 g/km and ideally 100 g/km (the threshold for the lowest tax rate changes to 99 g/km in 2012/13). The Council can also require that all cars provided under the scheme must meet the NCAP 4 or 5 Star safety standard and be equipped with Electronic Stability Control. The scheme effectively improves the Grey Fleet and ensures it is fit for purpose, roadworthy, insured as well as low carbon, safe and clean.

Salary Sacrifice can impact on entitlement to certain benefits e.g. sickness and maternity pay, and it may also affect pension entitlement so staff should be provided with financial advice before entering such a scheme. There are several companies offering a “turn-key” service which includes advising staff of the impact of joining a scheme.

Given that some of the changes proposed in this report may be perceived as in a negative light by staff a Salary Sacrifice Car Lease Scheme might be seen by some employees as a positive development providing the impacts on other benefits are fully understood.

5.7 All Council Vehicles to Meet Euro 3 Emission Standard by 2013

The age of some of the vehicles in the van and minibus fleets is a significant concern. All pre-Euro 3 vehicles will produce significant air quality emissions (NO_x, PM₁₀ and HC) and their older engines will be less fuel efficient and therefore produce more carbon dioxide per driven mile.

Given that Cardiff has several Air Quality Management Areas (AQMAs) and all are for NO₂ the council fleet should not be a contributor to air pollution.

Of particular concern is the age of the minibus fleet with one 17 year old vehicle and at least 38 vehicles predating the Euro 3 emission standard (2001). Not only will these vehicles be highly polluting - and young people with developing lungs are more susceptible to the impact of those pollutants - but they will also inevitably be less safe.

Modern minibuses have a full range of air bags, modern braking systems with additional features such as an anti-lock braking system (ABS), traction control, electronic stability control (ESC) and other features which help the driver avoid an accident and also help protect the occupants in the event of an accident.

Even if well maintained old vehicles cannot meet modern standards because they do not have the technology installed. It is not clear how the school governing bodies and the council are meeting their Duty of Care in respect of the children, adults and vulnerable persons transported in these old and intrinsically less safe vehicles. Many of the older minibuses would fall well below the standard of safety of a modern family car.

The council should strongly advise school governing bodies to replace all pre Euro 3 minibuses (effectively pre-2001). A minimum standard should be set for new-to-fleet vehicles (new or second hand) to ensure all have full air bags for front seat passengers, ABS, ESC and other safety features. New-to-fleet vehicles (new or second hand) should also - as a minimum - meet the Euro 4 emission standard.

Given the very low mileage of the minibus fleet consideration should be given to using hire vehicles or operating a local minibus pool fleet for schools (supplemented by hire vehicles). In the longer term the requirement for D1 licences may encourage more schools to hire a minibus and driver for specific trips rather than operate their own vehicle and train their staff to drive them.

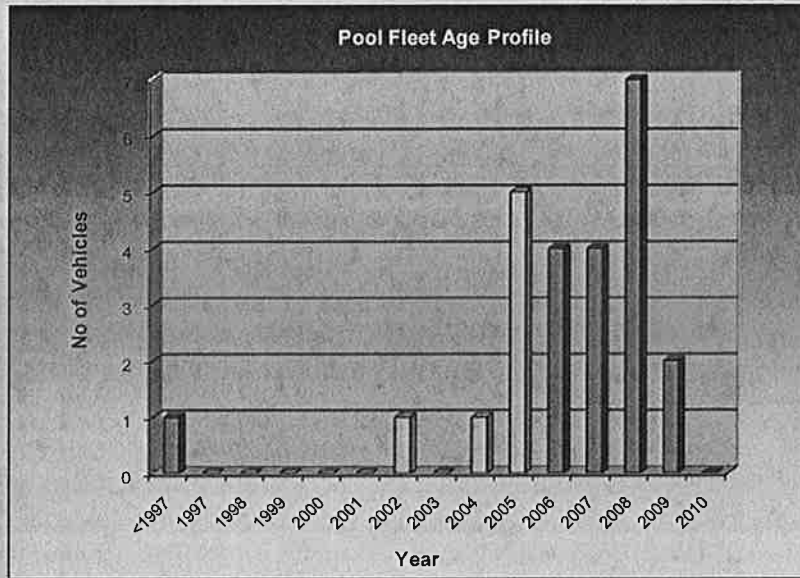
6 Composition of the Fleets 2009/10

6.1 Pool Fleet Data

Pool Fleet Summary			
Number on Fleet in Year	25	vehicles	<p>The Council has a small "pool fleet" of vehicles which are allocated to departments including Trading Standards, Highways, Social Services and Schools.</p> <p>This is not a fleet that can be booked and used by any council employee.</p> <p>The fleet contains fifteen Ford Focus Estate TDCI cars and a range of other makes, models and types.</p>
Engine Size			
Average	1,610	cc	
Largest	1,997	cc	
Smallest	698	cc	
Fuels in Use			
Diesel	22	vehicles	
Petrol	3	vehicles	
Gas		vehicles	
Hybrid		vehicles	
Electric		vehicles	

Pool Fleet Carbon Dioxide (CO ₂) Footprint				
EST CO ₂ Calc Method 1 Used	18	See Appendix A	As a council owned fleet, fuel data should have been available for all vehicles.	
EST CO ₂ Calc Method 2 Used	7			
EST CO ₂ Calc Method 3-5 Used	0			
No Data Available	0			vehicles
Average Carbon Dioxide Emissions	1,763			kg/annum/vehicle
Total Carbon Dioxide Emissions	44,069			kg/annum
Annual Carbon Dioxide	44	tonnes		
<p>Fuel data was available for 18 vehicles in this fleet so carbon dioxide emissions were determined using EST Methodology 1 (see Appendix A). This method calculates the carbon dioxide produced from the fuel burnt and is the most accurate method. E.g. one litre of diesel produces 2.64 kg of carbon dioxide.</p> <p>Where only mileage data was available carbon dioxide emissions were determined using EST Methodology 2 (see Appendix A). This uses the published g/km carbon dioxide emissions but with a 15% uplift to reflect "real" driving standards.</p> <p>Worked Example:</p> <p>E.g. Ford Focus TDCI 119 g/km. Annual Mileage 10,000 miles.</p> $\begin{aligned} \text{Carbon (kg)} &= ((119 \times 1.15) \times (10,000 \times 1.609))/1000 \\ &= (136.9 \times 16,090)/1000 = 2,203 \text{ kg} \\ &= 2.20 \text{ tonnes Carbon Dioxide} \end{aligned}$				

Pool Fleet Age Profile

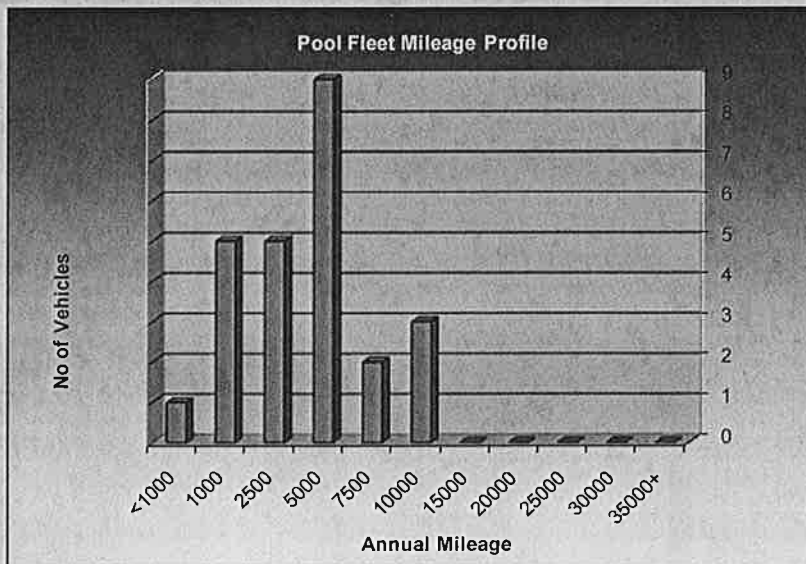


The one very old vehicle is a 1995 VW Golf operated by Social Services. In 2009/10 it was used for 2,044 miles.

It is unusual to keep cars on fleet beyond five years and there are eight vehicles over five years old (32%).

Average Age	3.5	years
Oldest Vehicle	15.0	years

Pool Fleet Annual Mileage



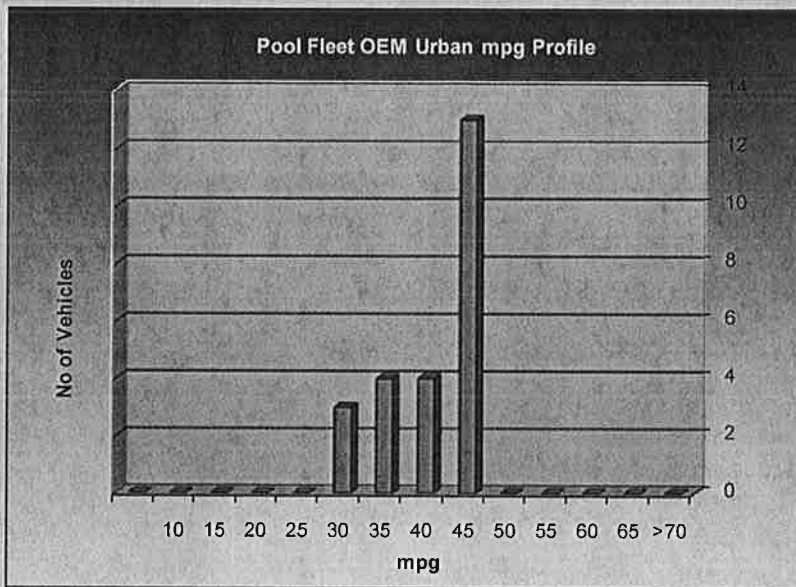
Economic utilization of a pool fleet occurs at about 8-10,000 miles/annum. At that mileage fuel, depreciation and operating costs are equivalent to £0.45/mile (the HMRC approved rate).

Most of this pool fleet is below 7,500 miles/annum and six vehicles were below 2,500 miles/annum.

This fleet would appear to be significantly underutilized.

Data Missing	0	vehicles
Average	5,557	miles/annum
Highest	13,910	miles/annum
Lowest	558	miles/annum
Total	138,929	miles/annum

**Pool Fleet Fuel Consumption (mpg)
Manufacturer's Data (Urban Cycle)**

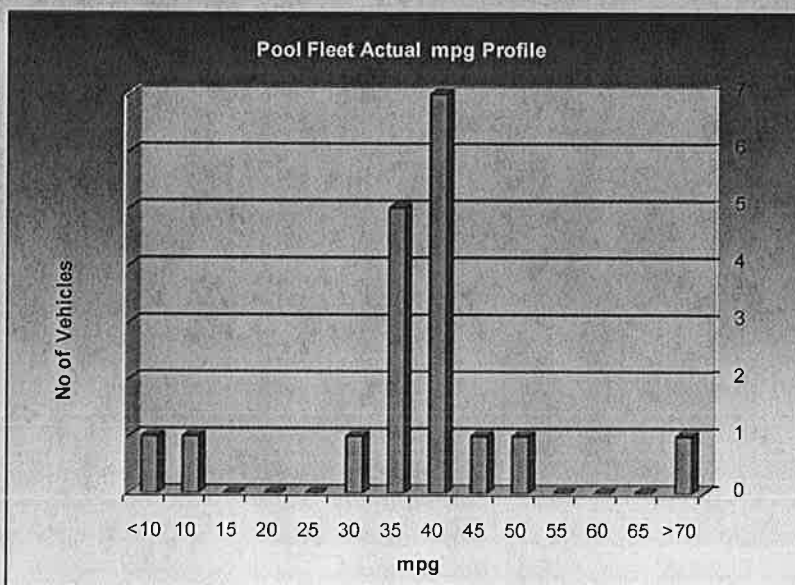


The vehicle with the worst published figures is a Peugeot Expert Tepee Comfort MPV (30.4 mpg). The best is the 2008 model year Focus TDCI at 48.6 mpg.

No data was available for the 1995 VW Golf.

Data Missing	1	vehicles
Average	43	mpg
Highest (Best)	49	mpg
Lowest (Worst)	30	mpg

**Pool Fleet Fuel Consumption (mpg)
Actual (from Fuel and Mileage data)**



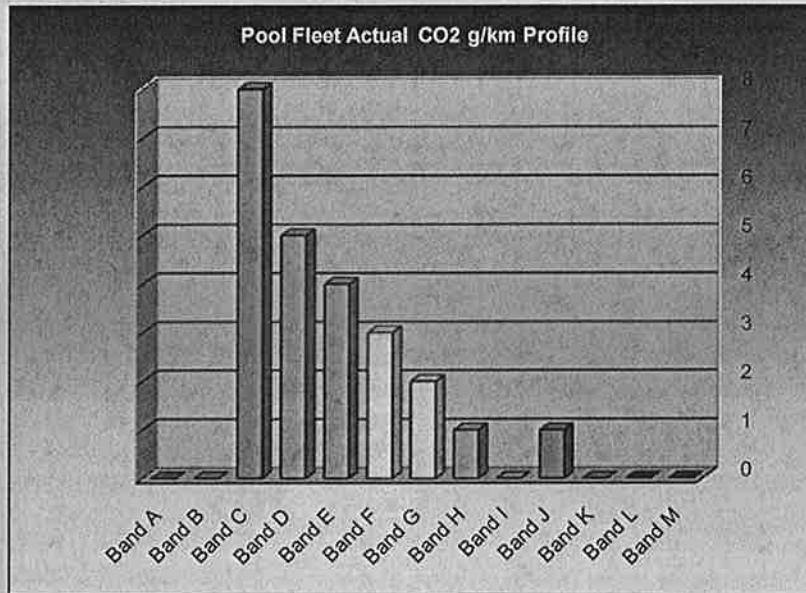
Actual fuel consumption data is worse than the published urban data but only by 5%.

There are some results (5 mpg and 106 mpg) which are clearly data errors.

Clearly performance reflects urban use (lots of short journeys).

Data Missing or Data Error	7	vehicles
Average	41	mpg
Highest (Best)	106	mpg
Lowest (Worst)	5	mpg

**Pool Fleet Carbon Intensity (g/km)
Manufacturer Data (see Appendix C for full explanation)**

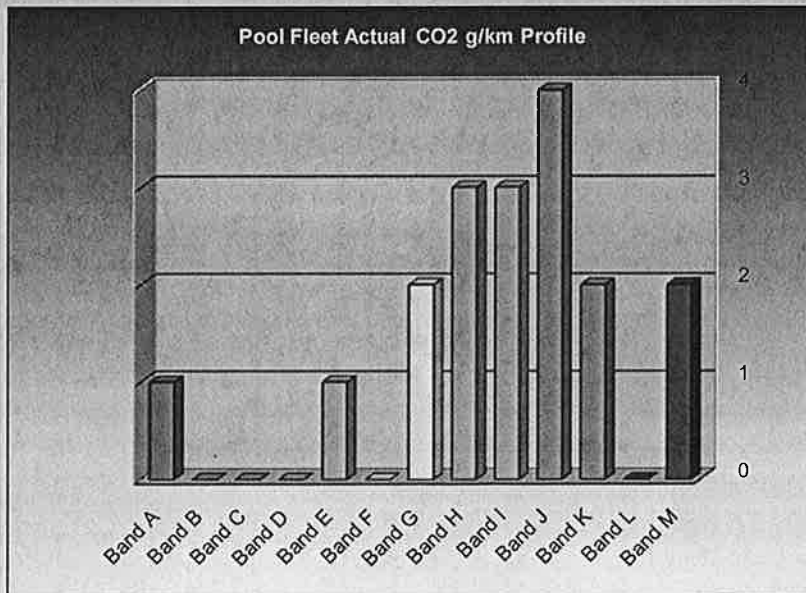


The Band C vehicles are the 2008 Ford Focus (119 g/km).

The two higher emission vehicles are the Peugeot Expert MPV and a Ford Mondeo Zetec.

No Data	1	vehicles
Average	136	g/km CO ₂
Highest (Worst)	198	g/km CO ₂
Lowest (Best)	113	g/km CO ₂

**Pool Fleet Carbon Intensity (g/km)
Actual (from Fuel and Mileage data)**



This data is the mirror of the fuel consumption data.

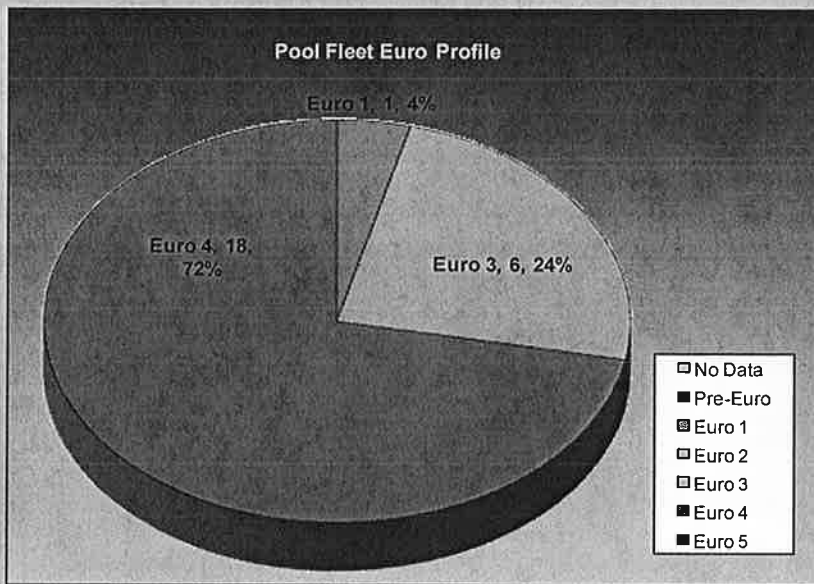
If the core data is an accurate reflection of fuel use and mileage then these vehicles are not performing in line with the published data.

While an uplift of 15% would be expected the actual uplift (excluding the extreme results) is about 35%.

Some of this uplift is a reflection of urban use. More accurate data would allow for a more detailed analysis.

Data Missing or Data Error	7	vehicles
Average	279	g/km CO ₂
Highest (Worst)	1,653	g/km CO ₂
Lowest (Best)	71	g/km CO ₂

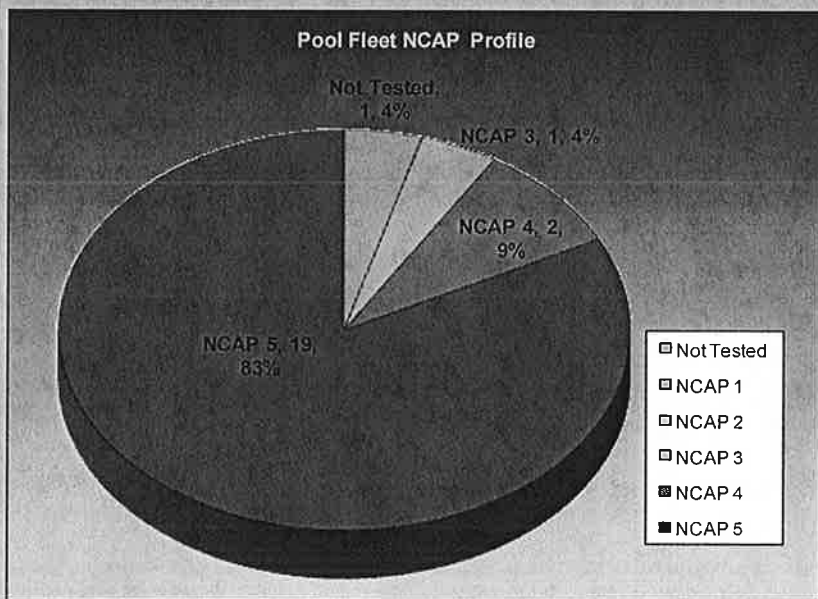
Pool Fleet Air Quality Emissions (see Appendix C for full explanation)



There is one pre-Euro 3 vehicle which is the VW Golf. It is also a diesel so its emissions of both NO_x and particulates will be very high.

Number Pre-Euro 3	1	vehicles
Number Euro 5 or better	0	vehicles

Pool Fleet NCAP Safety Assessment (see Appendix C for full explanation)



Most vehicles meet the NCAP 5 Star standard.
 The one untested vehicle is the Peugeot people carrier which is van based. This is a concern as it is a Schools vehicle and possibly used to transport children.
 The 3 Star vehicle is a Seat Alhambra people carrier used by the Harbour Authority.
 The 1995 VW Golf pre-dates NCAP testing.

Number Below NCAP 4 Star	2	vehicles
Number NCAP 5 Star	19	vehicles

6.2 Grey Fleet Data

Grey Fleet Summary (Staff owned vehicles. Mileage allowance paid.)			
Number of Claimants	3,067	employees	In common with many public sector bodies Cardiff Council has an extensive Grey Fleet of staff owned cars used for council business and reimbursed under the NJC mileage allowance scheme.
Number of Vehicles	3,066	vehicles	
Registration Not Found: DVLA	297	vehicles	
No Vehicle Data Supplied	1	vehicles	
Engine Size			
Average	1,590	cc	Vehicle data was available for all but one employee. However it is likely that some staff used more than one car in the year. Where this data is recorded vehicles exceed claimants by 15-20%.
Largest	12,130	cc	
Smallest	124	cc	
Fuels in Use			
Diesel	686	vehicles	297 registration numbers were not recognised by the DVLA. This can be as simple as "O" rather than "0" but may also be staff not supplying accurate data.
Petrol	2,082	vehicles	
Gas	1	vehicles	
Hybrid	0	vehicles	
Electric	0	vehicles	

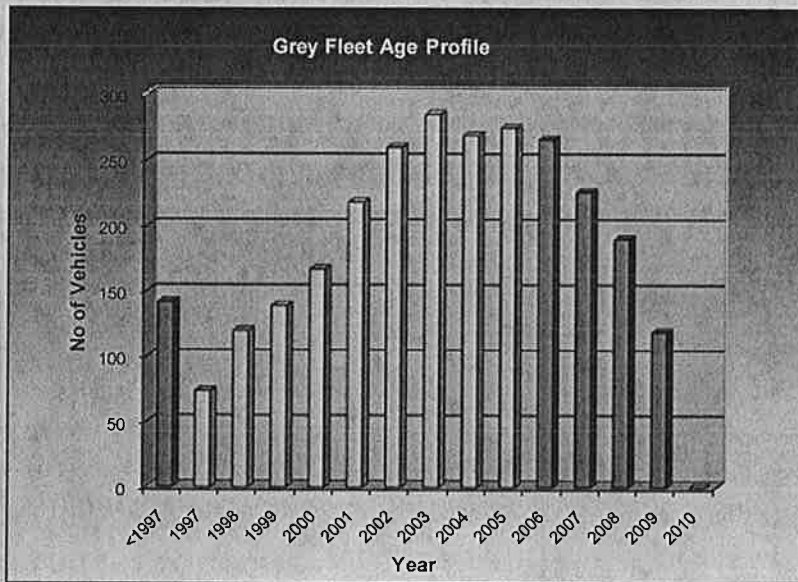
The vehicle with a 12,130cc engine was a Volvo 6x2 truck! It seems likely this is an incorrect registration number. The 124cc vehicle was a Honda CB 125 motorbike.

Grey Fleet Carbon Dioxide CO ₂ Footprint			
EST CO ₂ Calc Method 1 Used	2,069	See Appendix A	
EST CO ₂ Calc Method 2 Used	0		
EST CO ₂ Calc Method 3-5 Used	1,003		
No Data Available	0		
Average Carbon Dioxide Emissions	337	kg/annum/vehicle	
Total Carbon Dioxide Emissions	1,036,712	kg/annum	
Annual Carbon Dioxide	1,037	tonnes	

Because they are staff owned no fuel data is available for Grey Fleet cars and for pre-2001 cars progressively less data is available from the DVLA about fuel consumption (mpg) or carbon emissions (g/km). Prior to 1997/98 virtually no mpg or g/km data is available.

Where g/km data was available for a Grey Fleet vehicle it was used together with mileage claims to calculate the carbon emissions from the Grey Fleet vehicle. Where no emission data was available the national average value for 2010/11 of 202.8 g/km was used.

Grey Fleet Age Profile



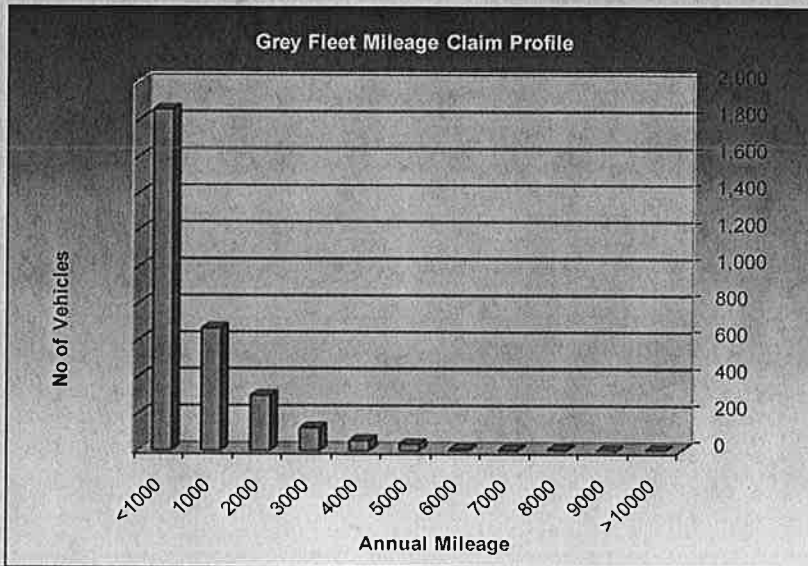
At 6.7 years the average age of this fleet is in line with the national car fleet. Given that there are no restrictions on the vehicles used this is not surprising.

There are 642 pre-2001 and 142 are pre-1997.

The oldest vehicle is a 1968 VW Beetle 1500 A. Seven vehicles were over 20 years old.

Average Age	6.7	years
Oldest Vehicle	41.3	years

Grey Fleet Annual Mileage



60.5% of staff claimed for less than 1,000 miles in the year. 25 staff claimed for over 6,000 miles and 4 exceeded 10,000 miles.

Grey Fleet Casual User Mileage Claims

Casual Claimants	2,294	employees
Average	998	miles/annum
Highest	16,182	miles/annum
Lowest	4	miles/annum
Total	2,288,424	miles/annum

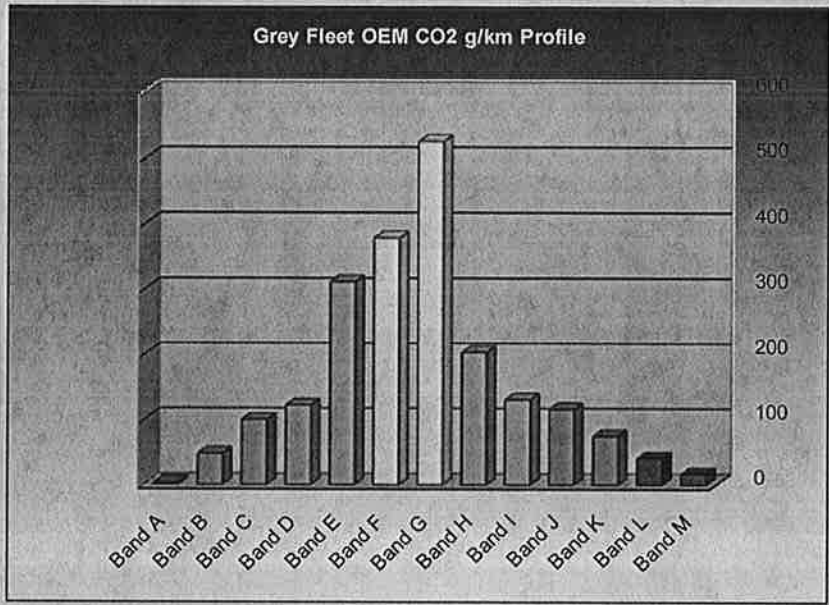
The highest mileage employee was deemed a Casual User.

Grey Fleet Essential User Annual Mileage			
Essential Claimants	778	employees	Some Essential Users did not claim for any mileage in 2009/10.
Average	1,488	miles/annum	
Highest	12,236	miles/annum	
Lowest	0	miles/annum	
Total	1,157,960	miles/annum	

Grey Fleet Costs			
Average Payment	£1.21	£/mile	Excluding Essential Users who received an allowance but claimed no miles the most expensive payment was £66/mile.
Lowest Payment	£66.45	£/mile	
Highest Payment	£0.41	£/mile	
Cost of Essential Payments	£881,574	£/annum	
National Insurance	£112,841	£/annum	
Mileage Claims	£1,854,965	£/annum	The Grey Fleet averages £0.83/mile.
Total Annual Claim	£2,849,381	£/annum	
Total Mileage	3,446,384	miles/annum	
Average Cost	£0.83	£/mile	

Grey Fleet Fuel Consumption (mpg) - Manufacturer's Data (Combined Cycle)			
No Data Available	578	vehicles	<p>Although many vehicles have good fuel consumption using the laboratory tests undertaken by the manufacturers, there are a significant number below 30 mpg.</p> <p>The worst was a Jeep Grand Cherokee with a 4 litre petrol engine at 19 mpg (£0.31/mile) and the best a diesel Ford Fiesta ECONetic at 76 mpg (£0.08/mile).</p> <p>For 578 older vehicles no data was available so this is likely to be an optimistic picture. These are likely to have worse fuel consumption as they are older engine technology.</p>
Average	45	mpg	
Highest (Best)	76	mpg	
Lowest (Worst)	19	mpg	

Grey Fleet Carbon Intensity (g/km) - Manufacturer's Data (see Appendix C for full explanation)

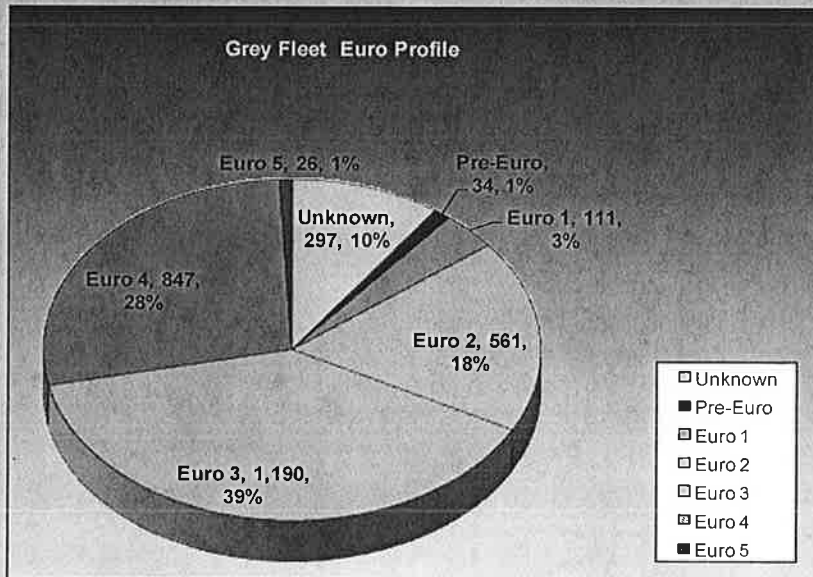


For vehicles registered since 2001 carbon emissions have been recorded. These are the newer vehicles and 995 Grey Fleet vehicles do not have published data so again, this is an optimistic picture that is worse in reality.

Of the 2,071 that do have published data 583 (28%) are in the higher carbon emission Bands H to M.

No Data Available	995	vehicles
Average	157	g/km CO ₂
Highest (Worst)	319	g/km CO ₂
Lowest (Best)	87	g/km CO ₂

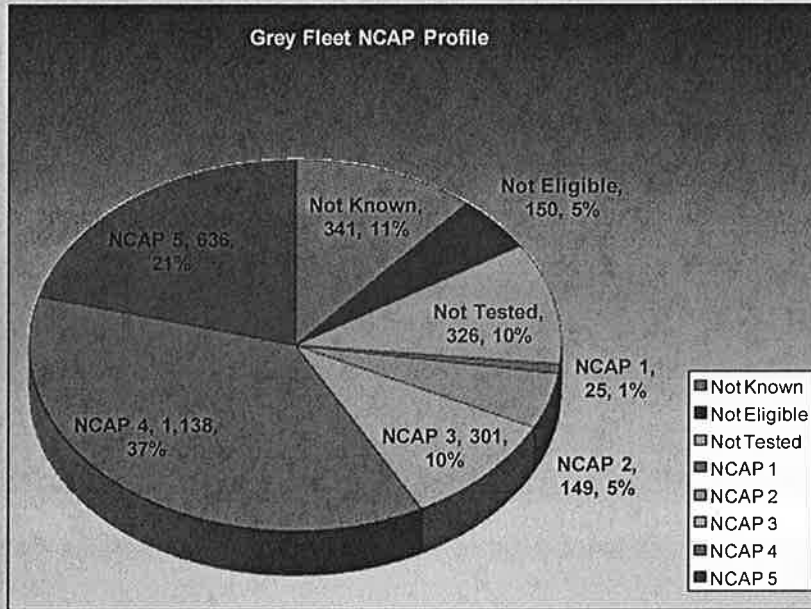
Grey Fleet Air Quality Emissions (see Appendix C for detailed explanation)



The Euro emission profile reflects the age profile. Only 26 vehicles meet the current Euro 5 standard but 1,003 are either Pre-Euro 3 (the minimum acceptable) or Unknown (297).

Number Pre-Euro 3 or Unknown	1,003	vehicles
Number Euro 5 or better	23	vehicles

Grey Fleet Safety Assessment (see Appendix C for detailed explanation)



58% of this fleet meets the acceptable NCAP 4 Star or 5 Star standard. 326 were eligible for testing (age) but had not been tested and a further 150 were not eligible (van based or motorcycles).

Overall 1,292 vehicles fall below the minimum acceptable standard (NCAP 4 Star) or are of unknown standard.

Under the current system the use of a 40 year old vehicle on council business is deemed acceptable. It is not clear where liability would lie in the event of an accident.

Number Below NCAP 4 Star	1,292	vehicles
Number NCAP 5 Star	1,774	vehicles

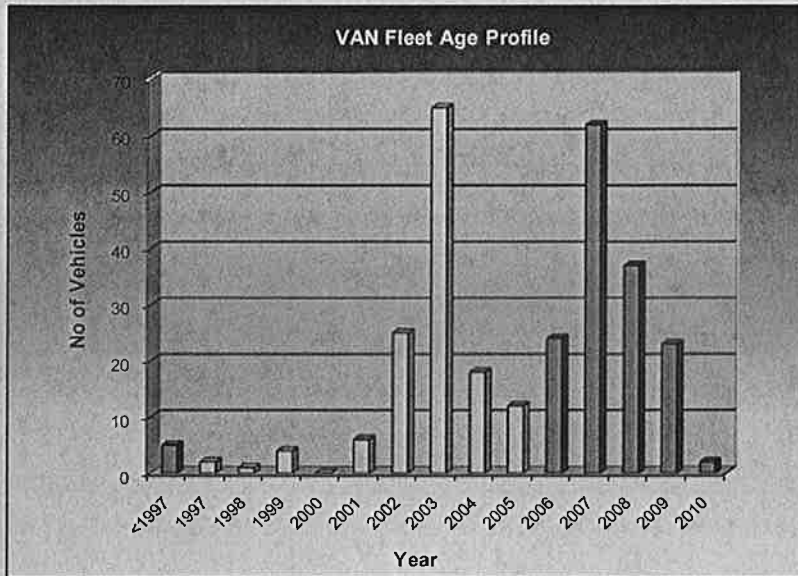
6.3 Van Fleet Data

Van Fleet Summary (commercial vehicles 3.5 tonnes and less)			
Number on Fleet in Year	286	vehicles	<p>The van fleet is predominantly Ford (200 of 286) and mostly Ford Transit vans. CMS Building Services operates 95 of the vehicles. Other major users are School Maintenance (30) and Waste Management (31).</p> <p>The LPG vehicles have been treated as LPG fuelled but the exact ratio of petrol/LPG usage is unknown.</p>
Engine Size			
Average	2,059	cc	
Largest	2,720	cc	
Smallest	249	cc	
Fuels in Use			
Diesel	199	vehicles	
Petrol	72	vehicles	
Gas	15	vehicles	
Hybrid	0	vehicles	
Electric	0	vehicles	

Van Fleet Carbon Dioxide CO ₂ Footprint			
EST CO ₂ Calc Method 1 Used	196	See Appendix A	
EST CO ₂ Calc Method 2 Used	2		
EST CO ₂ Calc Method 3-5 Used	70		
No Data Available	18		
Average Carbon Dioxide Emissions	3,767	kg/annum/vehicle	
Total Carbon Dioxide Emissions	1,077,441	kg/annum	
Annual Carbon Dioxide	1,077	Tonnes	

Fuel data was available for this fleet so carbon dioxide emissions were determined using EST Methodology 1 (see Appendix A). This method calculates the carbon dioxide produced from the fuel burnt and is the most accurate method. E.g. One litre of diesel produces 2.64 kg of carbon dioxide.

Van Fleet Age Profile

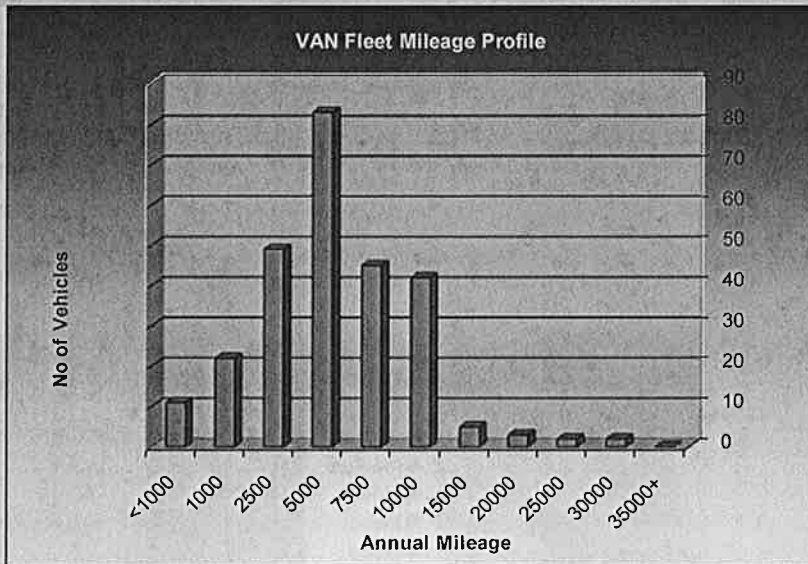


There appear to be two cycles of procurement with a peak in 2003 (mostly CMS Building Services) and another in 2007 (again CMS Building Services).

There are some old vans on the fleet, the oldest being a 1992 Land Rover County.

Average Age	4.7	years
Oldest Vehicle	18.0	years

Van Fleet Annual Mileage



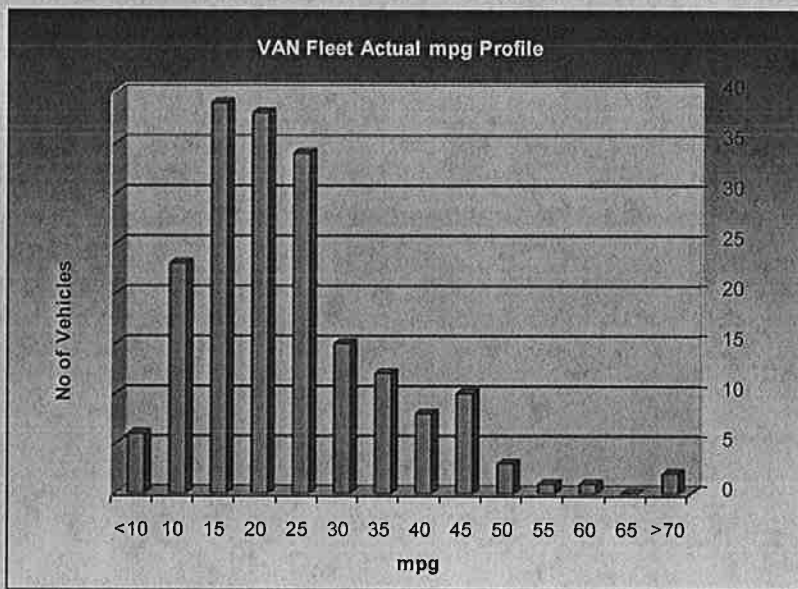
The average annual mileage is low for a van fleet.

This is a reflection of the small geographical area in which the vehicles operate and the use by building trades. The vehicles will spend a lot of the day parked outside the place of work.

Even so 33 vehicles travelled less than 2,500 miles in 2009/10. That is equivalent to about 10 miles per working day.

Data Missing	22	vehicles
Average	7,314	miles/annum
Highest	31,326	miles/annum
Lowest	48	miles/annum
Total	1,930,794	miles/annum

Van Fleet Fuel Consumption (mpg) - Actual Data



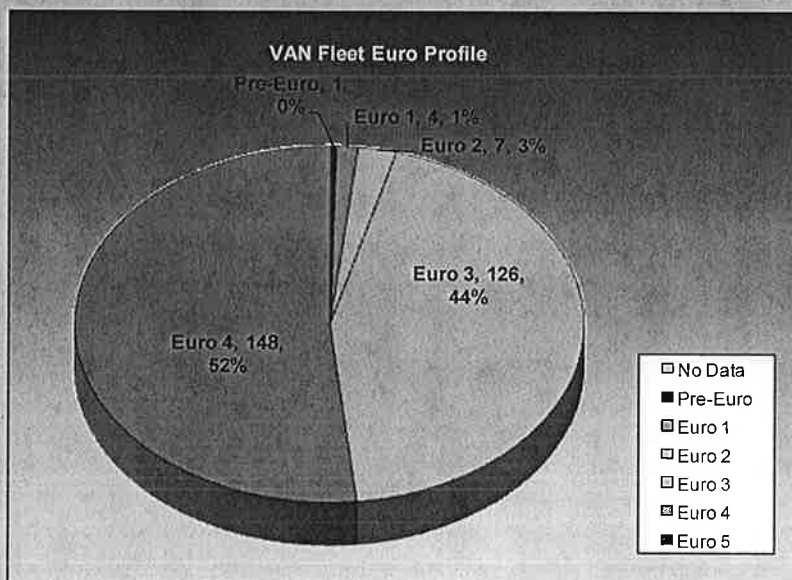
The vans are used in an urban area so fuel consumption will be high.

Even so the performance of this fleet is poor and may be indicative of a large proportion of static running.

Accurate mpg data could not be determined for 94 vehicles; about one third of the fleet.

Missing Data or Data Error	94	vehicles
Average	26	mpg
Highest (Best)	92	mpg
Lowest (Worst)	2	mpg

Van Fleet Air Quality Emissions (see Appendix C for full explanation)



Most of the fleet meets or exceeds the acceptable Euro 3 emission standard.

A council with several AQMAs should review its continued use of vehicles pre-dating the Euro 3 standard.

Consideration should be given to removing all pre-Euro 3 vehicles from council fleet by the end of 2012/13.

Number Pre-Euro 3	12	vehicles
Number Euro 5 or better	0	vehicles

Van Fleet Safety Assessment

There is no independent safety rating for commercial vans however there are minimum standards that Gfleet recommends for vans in order to reduce risk of injury collisions. These include:

- ABS – Anti-lock Braking System
- ESC – Electronic Stability Control
- Driver and Passenger air bags (minimum)
- Fully tested and approved bulkhead
- Speed limiter (where applicable – compulsory on minibuses)

It is not possible from the data supplied to assess each vehicle against these standards.

One safety concern was the four Ford Rangers in the van fleet. The NCAP 40 mph front impact safety test of these vehicles states: *“The impact overloaded the structure and the passenger compartment became unstable.... There was insufficient pressure in the airbag to prevent the head from contacting the steering wheel. Protection of the driver's chest was rated as weak, mainly due to the threat posed by the extent of structural collapse.”* Most of the Rangers (3) were purchased in 2007 prior to the NCAP test which was published in 2008, safer (NCAP 4 Star) 4x4 crew-cab vehicles (eg Mitsubishi L200) are now available.

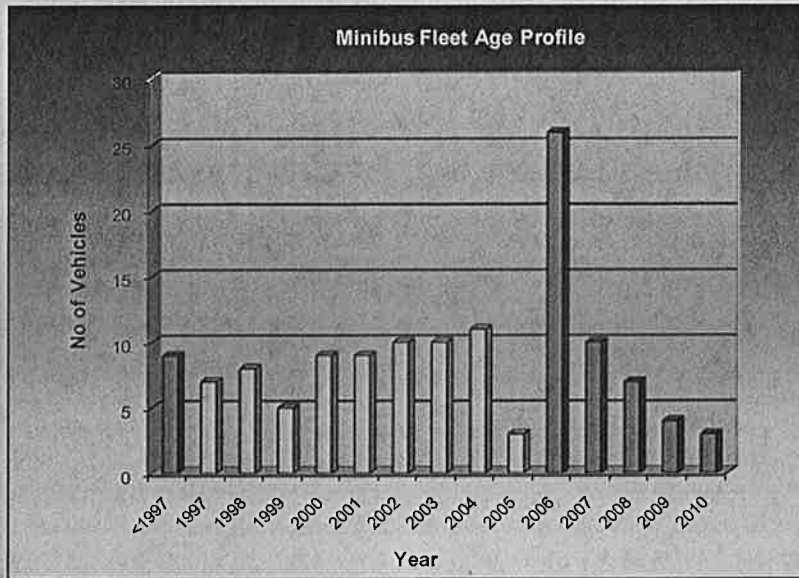
6.4 Minibus Fleet Data

Minibus Fleet Summary (3.5 tonnes and less)			
Number on Fleet in Year	133	vehicles	This fleet was mostly operated by schools (76) and social services (48) and will therefore be used for the transport of children as well as people in care and other at-risk groups.
Engine Size			
Average	2,303	cc	
Largest	3,972	cc	
Smallest	1,560	cc	
Fuels in Use			
Diesel	120	vehicles	
Petrol	12	vehicles	
Gas	0	vehicles	
Hybrid	0	vehicles	
Electric	0	vehicles	

Minibus Fleet Carbon Dioxide CO ₂ Footprint			
EST CO ₂ Calc Method 1 Used	47	See Appendix A	
EST CO ₂ Calc Method 2 Used	20		
EST CO ₂ Calc Method 3-5 Used	64		
No Data Available	2	Vehicles	
Average Carbon Dioxide Emissions	3,062	kg/annum/vehicle	
Total Carbon Dioxide Emissions	407,279	kg/annum	
Annual Carbon Dioxide	407	Tonnes	

Fuel data was available for this fleet so carbon dioxide emissions were determined using EST Methodology 1 (see Appendix A). This method calculates the carbon dioxide produced from the fuel burnt and is the most accurate method. E.g. One litre of diesel produces 2.64 kg of carbon dioxide.

Minibus Fleet Age Profile

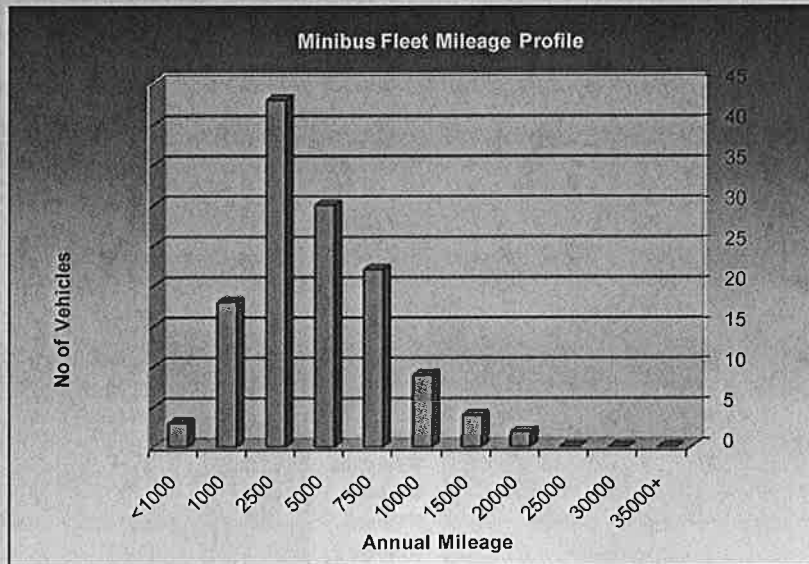


Given the use of this fleet to transport young people, and vulnerable adults the use of 38 vehicles over ten years old and one over 17 years old (1992) is not good practice.

Even if well maintained the safety and other technologies in these old vehicles will be out dated.

Average Age	6.8	Years
Oldest Vehicle	17.3	Years

Minibus Fleet Annual Mileage

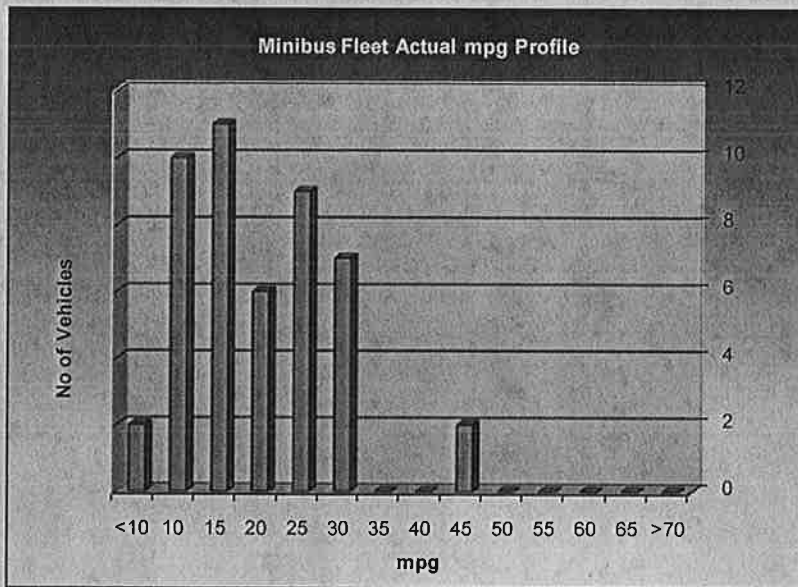


Like many similar school and social services fleets the minibuses are very low mileage as they are used at restricted times during the day for short trips. E.g. to a football match with a local school.

The cost of operating a new or nearly new minibus for only 2,500-5,000 miles/annum is very high and this is one reason why some operators will keep very old vehicles on this type of fleet.

Data Missing	2	vehicles
Average	6,009	miles/annum
Highest	21,451	miles/annum
Lowest	709	miles/annum
Total	787,130	miles/annum

Minibus Fleet Fuel Consumption (mpg) - Actual Data

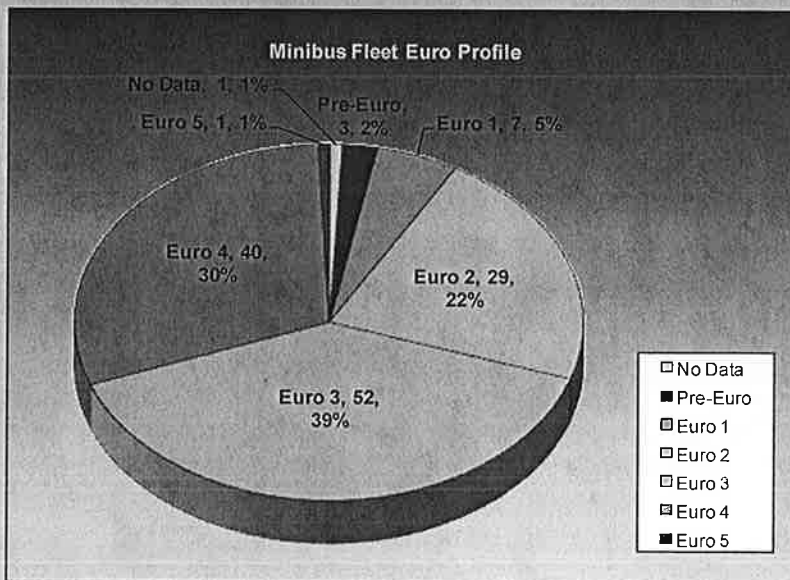


Fuel data was missing for much of the fleet. This is because many of the vehicles are operated by schools and they do not provide mileage and fuel data to Cardiff Council.

The carbon emission from these vehicles is part of the council's footprint and it needs to put in place a more robust system of data capture.

Missing Data or Data Error	86	vehicles
Average	22	mpg
Highest (Best)	50	mpg
Lowest (Worst)	7	mpg

Minibus Fleet Air Quality Emissions (see Appendix C for full explanation)



The age of the fleet is reflected in its poor emission profile with 30% of the fleet not meeting acceptable emission standards.

Given the groups being transported, the known health impacts of exhaust emissions and the existence of several AQMAs in Cardiff, all pre-Euro 3 minibuses should be removed from the fleet by the end of 2012/13.

Number Pre-Euro 3	40	vehicles
Number Euro 5 or better	1	vehicles

Minibus Fleet Safety Assessment

There is no independent safety rating for minibuses however there are minimum standards that Gfleet recommends for vans in order to reduce risk of injury collisions. These include:

- ABS – Anti-lock Braking System
- ESC – Electronic Stability Control
- Driver and Passenger air bags (minimum)
- Speed limiter (where applicable – compulsory on minibuses)

It is not possible from the data supplied to assess each vehicle against these standards. However it is very unlikely that a 17 year old minibus will have all of the features documented above.

The council and school governors have a duty of care to the children and adults transported by this fleet of minibuses to ensure the vehicles provided are safe and fit for purpose.

6.5 HGV Fleet Data

The HGV fleet is outside the detailed scope of the GFR, however these basic details are included to ensure the carbon footprint accurately reflects transport emissions.

HGV Fleet Summary (commercial vehicles over 3.5 tonnes)			
Number on Fleet in Year	60	vehicles	Most of this fleet (36 vehicles) was Drainage Department vehicles. Only 7 vehicles were operated by Waste Management as the rest of the waste fleet was on Daily Hire.
Age Profile			
Average Age	6.6	years	
Oldest Vehicle	15.1	years	
Euro Profile			
Pre-Euro 3	7	vehicles	
Engine Size			
Average	5,474	cc	
Largest	11,021	cc	
Smallest	3,900	cc	
Fuels in Use			
Diesel	60	vehicles	
Petrol	0	vehicles	
Other	0	vehicles	

HGV Fleet Carbon Dioxide CO₂ Footprint			
EST CO ₂ Calc Method 1 Used	6	See Appendix A	
EST CO ₂ Calc Method 3/4 Used	37		
No Data Available	17	vehicles	
Average Carbon Dioxide Emissions	5,436	kg/annum/vehicle	
Total Carbon Dioxide Emissions	326,177	kg/annum	
Annual Carbon Dioxide	326	tonnes	
<p>Little fuel data was available for this fleet so carbon dioxide emissions were determined using Defra GHG Reporting Standards. Usually the most accurate mileage and fuel data is available for this fleet. The lack of fuel data is a concern given the high consumption of HGVs.</p>			

HGV Fleet Mileage Data			
No Data	17		
Average	4,951	miles/annum	
Highest	33,856	miles/annum	
Lowest	102	miles/annum	
Total	212,902	miles/annum	

HGV Fleet Actual Fuel Consumption (mpg)			
No Data	60	vehicles	
Average	No Data	mpg	

Highest	No Data	mpg
Lowest	No Data	mpg

6.6 Spot Hire Fleet Data

The Spot Hire Fleet at Cardiff Council contains a number of long-term HGV waste vehicles and is mostly outside the detailed scope of the GFR, however these basic details are included to ensure the carbon footprint reflects transport emissions.

Spot Hire Fleet Carbon Dioxide CO ₂ Footprint		
EST CO ₂ Calc Methods Used	0	See Below
No Data Available		vehicles
Average Carbon Dioxide Emissions	3,105	kg/annum/vehicle
Total Carbon Dioxide Emissions	586,908	kg/annum
Annual Carbon Dioxide	587	tonnes

No fuel or mileage data was available for this fleet so carbon dioxide emissions were estimated using the methodology shown below.

In the absence of mileage and fuel data for the "Daily Hire" fleet the average values for Council on-fleet vehicles were used and corrected for the number of days in the year a vehicle was hired for:

e.g. an average Cardiff Council van produces 3,767 kg CO₂/annum. If on-hire for 30 days it would produce 310 kg (3767 x 30/365).

While this methodology does at least give a value to the mileage and emissions of the spot hire fleet it is still only an estimate. The HGV values in particular may be a significant under-estimate as many of the Spot-Hire HGVs were refuse vehicles and the fuel consumption of these vehicles can be very high (equivalent to 1-2 mpg).

Category	Ave Annual kg CO ₂	Ave Annual Mileage	No	Av eHire Period (Days)	Spot Hire CO ₂	Spot Hire Mileage
Car	1,763	5,557	19	233	14.4	45,515
Van	3,767	7,314	121	720	354.0	687,214
Minibus	3,062	6,009	11	600	24.5	47,970
HGV	5,436	4,951	55	589	194.0	176,722
Plant	No Data	No Data	30	1,597	No Data	No Data

No comparable data was available for on-fleet "Plant" and so the emissions of this group of 30 vehicles (mostly Johnston Sweepers and JCBs) could not be estimated.

Of note is the length of the average hire period. Cardiff Council confirmed that these vehicles are on daily rental and are not on long lease contracts. Apparently this is because departments are not prepared to commit to long term contracts. This must have a high cost associated with it.

Of equal concern is the complete lack of mileage and fuel data for this substantial fleet. The estimated emissions of 587 tonnes is equivalent to at least £250,000 of fuel which is not accounted for.

7 Appendix A: Energy Saving Trust Methodologies (March 2011)

Summary

The aim is to establish a common approach to estimate fleets' carbon dioxide (CO₂) emissions. This will allow for comparisons of fleets' emissions over time and for comparisons between fleets.

The appropriate methodology to use for a specific fleet will depend on what data are available, so 5 different options are described below. **These are presented in order of accuracy and the most accurate methodology should be used.** In many cases it will be appropriate to use a combination of methodologies. For example if fuel usage data is available for vans but not for cars then Methodology One (based on fuel consumed) should be used for the former and a mileage based methodology for the latter.

7.1 Method 1: Fuel Purchase Data (All Vehicle Types)

If comprehensive fuel use data are available - either through fuel cards and/or consumption of bunkered fuel - then emissions should be calculated by applying the following factors to the quantity of fuel consumed:

Fuel	kg CO ₂	Units
Diesel	2.64	Litre
Petrol	2.30	Litre
LPG	1.49	Litre
Natural Gas	2.71	kg

*NB: For Biofuels, Biomethane and Electricity refer to **Further Information** paragraph 2. For further information on greenhouse gases in addition to CO₂ see Further Information paragraph 3.*

7.2 Method 2: Mileage plus Make & Model (Cars and Vans)

Cars: If data are available for each individual vehicle's mileage as well as its make and official g/km CO₂ emissions figure – and for company cars organisations are obliged to hold the g/km CO₂ information for P11D reporting - then car CO₂ emissions can be calculated. The most accurate source for this information is the individual vehicle's V5 log book which takes into account any optional extras fitted to the vehicle at the point of manufacture which change the official emissions for that vehicle. This data is also available from the DVLA website <http://www.taxdisc.direct.gov.uk/EvIPortalApp/>. You will need the registration number and make of the vehicle to complete the enquiry; from the home page select "Vehicle Enquiry".

In-use fuel consumption and CO₂ emissions are almost always higher than the official data for various reasons: the New European Drive Cycle is less demanding than most real-life driving conditions; the vehicles performing the tests are presented in perfect condition; and drivers carrying out the tests are selected for their ecodriving expertise. To account for this an **additional 15.0%¹ should be added to CO₂ emissions calculated by this second methodology.**

However, if this 15.0% adjustment is considered to be inappropriate for a specific fleet, then the case could be made for using a different figure. For example, if a fleet of cars

¹ ADVAI personal communication with EST, June 05

operates solely within the M25 during office hours then the fleet's fuel consumption may be considered to be unusually high and the adjustment factor would need to be higher. If a figure other than 15.0% is to be used for a specific fleet, this should be agreed by all parties involved and the rationale detailed in any subsequent report.

Vans: Official g/km CO₂ emissions figures have only been available for new vans since June 2009. In certain circumstances it may be appropriate to use the figures for current models published on the VCA Van CO₂ and Fuel Consumption database. <http://www.vca.gov.uk/vandata/Default.aspx>. An additional 15% should be added to the emissions. It should be noted that vehicles are **tested empty** and that data may not be available for box van body styles etc. If this data is to be used it should be agreed by all parties involved and the rationale detailed in any subsequent report.

7.3 Method 3: Mileage plus Engine Size & Fuel Type (Cars, Motorcycles and Vans)

Cars: If official g/km CO₂ emissions figures are not available then the following average figures should be used to estimate g/km CO₂. These data already include a 15% uplift to translate from test-cycle to real life.

Car Fuel	Small engine	Medium Engine	Large Engine
Petrol	<1.4 litres	1.4 – 2.0 litres	>2.0 litres
	173.0	214.9	299.4
LPG		193.4	269.4
Petrol Hybrid		119.1	217.3
Diesel	<1.7 litres	1.7 – 2.0 litres	>2.0 litres
	145.2	181.0	245.5

These data already include a 15% uplift to translate from test-cycle to real-life.

Motorcycles:

Fuel	Small (up to 125cc)	Medium (125 – 500cc)	Large (over 500cc)
Petrol	85.0	103.2	137.2

Light Commercial Vehicles: If the vehicle Class (see Further Information paragraph 4) and fuel type is known, then the following figures should be used to estimate g/km CO₂.

Fuel Type	Class I (<1.305t)	Class II (1.305 – 1.74t)	Class III (1.74-3.5t)
Petrol	194.1	211.1	255.8
Diesel	157.0	224.8	269.1

7.4 Method 4: Mileage plus Fuel Type (Cars and Vans)

Cars:

If fuel type alone (but not engine size) is known, then the following figures should be used to estimate per g/km CO₂. These data already include a 15% uplift to translate from test-cycle to real-life.

Type	Petrol	Diesel	LPG
Average Car	210.7	195.0	214.2

Light Commercial Vehicles:

If fuel type alone (but not vehicle class) is known, then the following figures should be used to estimate g/km CO₂.

Fuel	Petrol	Diesel	LPG	CNG
Average Van	240.5	250.8	263.3	238.3

7.5 Method 5: Mileage only Global Averages (Cars, Motorcycles and Vans)

Where only mileage data are available, with no engine size or fuel type information, then the following global average figure should be used to estimate g/km CO₂. These data already include a 15% uplift to translate from test-cycle to real-life.

Average Car
206.9

Average Motorcycle
116.1

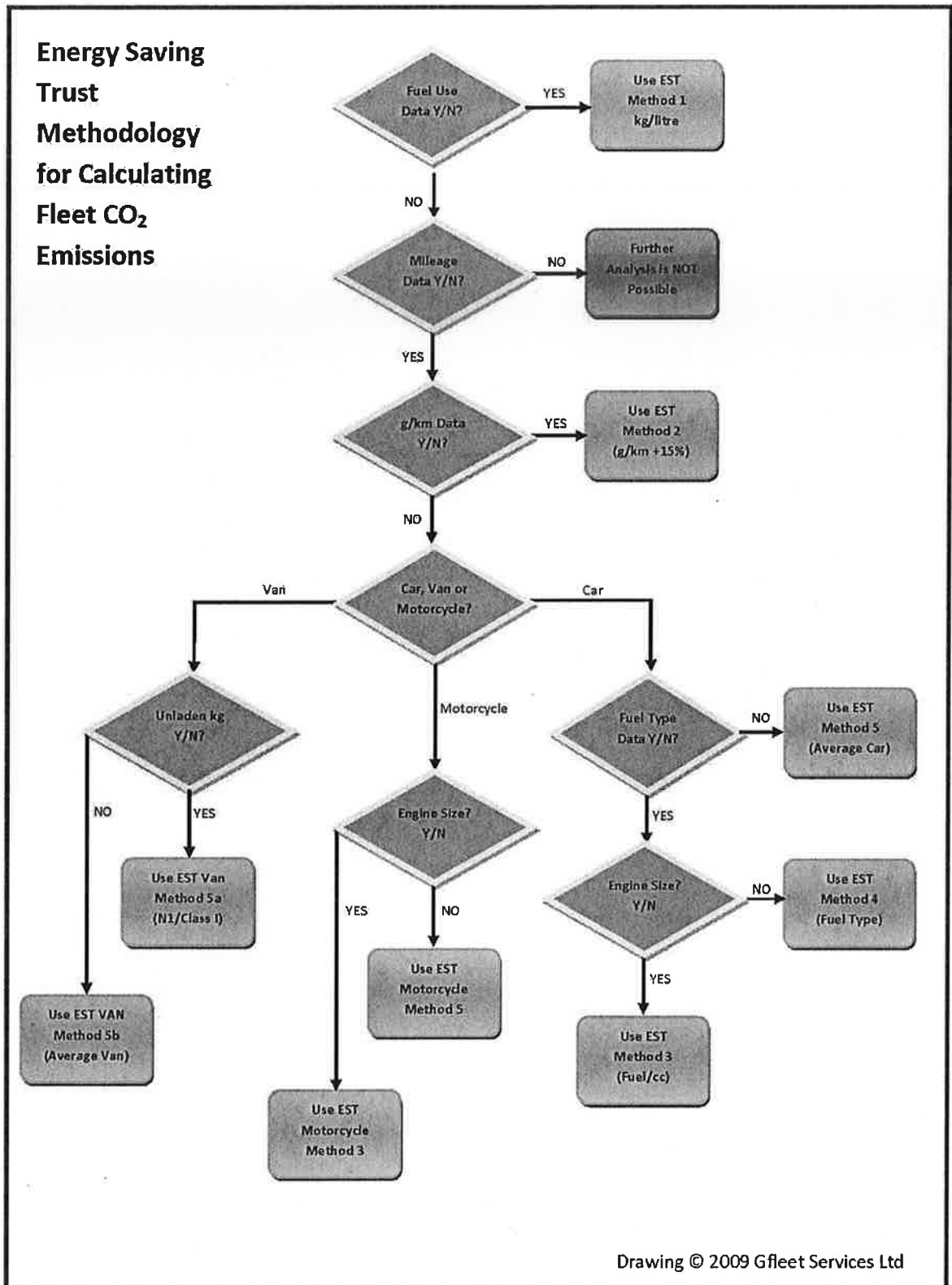
Average LCV
250.8

7.6 Further Information

1. For fully expensed drivers (those that receive from their company free fuel for private use) it may be impossible to distinguish between company and private mileage. In such cases the entire mileage and CO₂ emissions should be counted towards the fleet total.
2. For organisations wishing to understand the emissions savings where they are operating vehicles on higher concentrations of Biofuel than is allowed in pump fuel or on Biogas or electricity, a carbon footprint which includes the lifecycle or well to wheel emissions of all the fuels consumed can be provided by the Energy Saving Trust Fleet Consultant.
3. Figures for CO₂ only are provided as they have a direct relevance to vehicle based taxation and comprise approximately 99% of the greenhouse gases produced when fuel is burnt. The Energy Saving Trust consultant can provide, on request, a footprint including the greenhouse gases Methane (CH₄) and Nitrous Oxide (N₂O) which are also produced in small quantities when fuel is burnt.
4. N1 is the European Union type approval category for Light Goods Vehicle, subdivided into three weight classes as follows:
 - Category N1, Class I are goods vehicles with an unladen weight plus 100kg not exceeding 1305kg.
 - Category N1, Class II are goods vehicles with an unladen weight plus 100kg greater than 1305kg but not exceeding 1760kg.
 - Category N1, Class III vehicles are goods vehicles with an unladen weight plus 100kg greater than 1760kg but not exceeding 3500kg.

For fleets with **LPG vans** please contact Energy Saving Trust since in most cases we will know the model-specific g/km CO₂ data from the PowerShift Register. If PowerShift CO₂ data is used then the 15% uplift should be applied.

7.7 Schematic Flow Chart of EST Methodology



8 Appendix B: Grey Fleet Guidance

An independent study² of nearly 6,000 Grey Fleet cars showed that up to 55% were technically unroadworthy (mostly due to tyre faults) and this factor combined with the age and lower safety standards of the vehicles makes the Grey Fleet a high risk fleet.

8.1 Driving for Better Business

Below is the DfT Guidance in relation to work use of Privately Owned Vehicles from the Driving for Better Business website. **It is reasonable to expect all public sector bodies to comply with this Guidance.**

- Employers have the same duty of care under health and safety law to staff who drive their own vehicles for work as they do to employees who drive company owned, leased or hired vehicles.
- Employees who opt out of a traditional company car and take the cash equivalent instead also need to be covered by the health and safety policy.
- The standard set for "cash for car" vehicles should be equivalent to those for company vehicles (see [selection of appropriate vehicles](#) for minimum standards).
- Privately owned vehicles must not be used for work purposes unless they are fit for purpose, insured for business use, have a valid MOT certificate, have a regular service record, and are roadworthy.
- Conduct periodic (annual) checks of MOT certificates, service records and motor insurance and vehicle excise duty.
- Carry out regular visual inspections of private vehicles used for work (e.g. when parked in the car park).
- Provide staff with check lists to conduct weekly checks of their vehicle, including tyre pressure, fluids, wipers, brakes, lights and indicators.
- Advise drivers to conduct pre-drive checks of tyres, fluids, wipers, lights and brakes.
- Require that staff involved in a work-related crash (including damage-only ones) report this to their line/transport managers even if the vehicle is privately owned.
- Communicate the requirements for privately owned vehicles to your staff and ensure they understand their responsibilities to ensure their vehicles are legal, safe and well-maintained.

Another useful document is the OGC publication "Grey Fleet Best Practice" June 2008 which provides guidance and case studies from the public sector.

A range of legislation and procedures applies to the Grey Fleet:

- PUWER: Carriage of any equipment in vehicles – can it be secured safely?
- ACPO Road Death Investigation Manual 2007 – focus on business use.
- In London Traffic Police now carry HSE warrants as part of a pilot scheme.
- Corporate Manslaughter & Homicide Act 2007 – negligence in relation to H&S.
- Health and Safety Offences Act (2008) – increases penalties – fines and prison.

For every road traffic offence there are the addition offences of "incite, cause or permit" and increasingly managers are being prosecuted for allowing business need drivers to carry overweight loads, drive with illegal tyres and for other fixed penalty endorsable offences.

It is important that the organisation establishes a database of all the Grey Fleet vehicles it is funding, ensures as far as reasonable that these vehicles are insured and roadworthy and does not fund drivers who have not produced satisfactory documentation.

One way of cleaning up the Grey Fleet is to support the purchase of new vehicles by **making low carbon cars available under a salary sacrifice scheme.** These can be very tax efficient and allow staff who would not otherwise purchase one to afford a new car.

² Vehicle Monitoring Survey, Q3&4 2007, total motion vehicle management.

8.2 Extract from ACPO Road Death Investigation Manual

14.2.8 HEALTH AND SAFETY EXECUTIVE (HSE)

As a general rule, the police will investigate all 'at-work' road deaths (and those likely to result in death) and will maintain primacy under road traffic legislation. A definition of at work in these circumstances **excludes** commuting journeys between home and normal base. Under health and safety legislation an employer can be, for example, a company, a partner, a trust, a local authority, or a charity.

Employers have a responsibility, under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR), to report an accident:

- Involving exposure to a substance being conveyed by road;
- Involving loading and unloading of an article or substance (not passengers) onto or off a vehicle;
- Where works vehicles and workers (not in vehicles) are engaged in specific work activity (other than travelling), eg, hedge cutting, construction, demolition, alteration, repair or maintenance activities at or alongside public roads.

The HSE may wish to investigate such accidents.

The HSE should be contacted when the following two criteria apply.

(1) There is sufficient indication that failures in safety management by the employer have significantly contributed to the incident and – these failures cannot be addressed by the 'cause and permit' provisions in the road traffic legislation; and – the risks are foreseeable and beyond the direct control of the driver.

The following are instances where this might apply.

Driver Competency – the employer has failed to ensure that drivers are competent and capable of doing their work in a way that is safe for them and other people, for example, has the employer considered whether the driver has the necessary driving licence and if so whether further training is required?

Fitness and Health – the employer has ignored obvious signs that an employee is unfit to drive, for example, from the effects of drink or drugs.

Vehicle Suitability – Vehicles are being used for a purpose for which they were not intended, for example, saloon cars used to transport heavy or bulky goods without appropriate means to secure the load safely.

For further advice see the joint HSE/DfT guidance (INDG 382) *HSE (2003) Driving at Work: Managing work-related road safety*. This is available at <http://www.hse.gov.uk/pubns/indg382.pdf>

And/or

(2) There is a serious continuing risk (eg, one that could result in a similar incident occurring in similar circumstances) which cannot be addressed by the police using road traffic legislation, or by another appropriate enforcing authority (eg, VOSA).

Each case should be considered individually and the investigating agencies will liaise and cooperate as appropriate.

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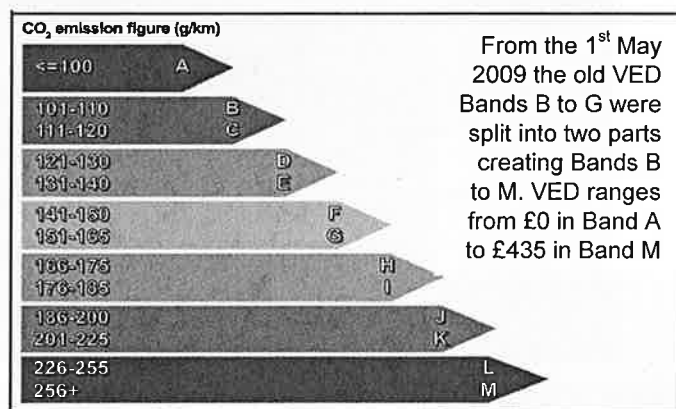
9 Appendix C: Assessing Your Fleet – Emissions & Safety

9.1 Carbon Dioxide Profile - Cars

Since April 2001 all cars (vehicles with M1 approval) registered with the DVLA have had the carbon dioxide intensity (measured in CO₂ g/km) recorded on the vehicle's V5 record.

Many manufacturers published this information from 1997 (about 80% of the vehicles sold in that year have this data available) but from 2001 it formed the basis of Vehicle Excise Duty (VED) taxation and in 2009 the system was refined by the addition of more bands. The higher the g/km CO₂ emissions the higher the VED tax band (and the worse the fuel consumption).

The 2009 VED Bands – A to M – are shown below. The tax payable ranges from £0 for a Band A vehicle to £435 for a Band M vehicle.



For cars the “acceptable” range is from Band A to Band G (165 g/km maximum) but many organisations would now aim to cap their car fleets at 130 (Band D) or 140 g/km (Band E) and pool fleets at 120 g/km (Band C) unless the organisation has a special requirement. Vehicles under 100 g/km are currently regarded as “Low Carbon”. The Toyota Prius Mk3 T3 and the Toyota Auris Hybrid are the lowest emission four seater vehicles in this class at 89 g/km (June 2011).

9.2 Air Quality Emissions – Euro Standards

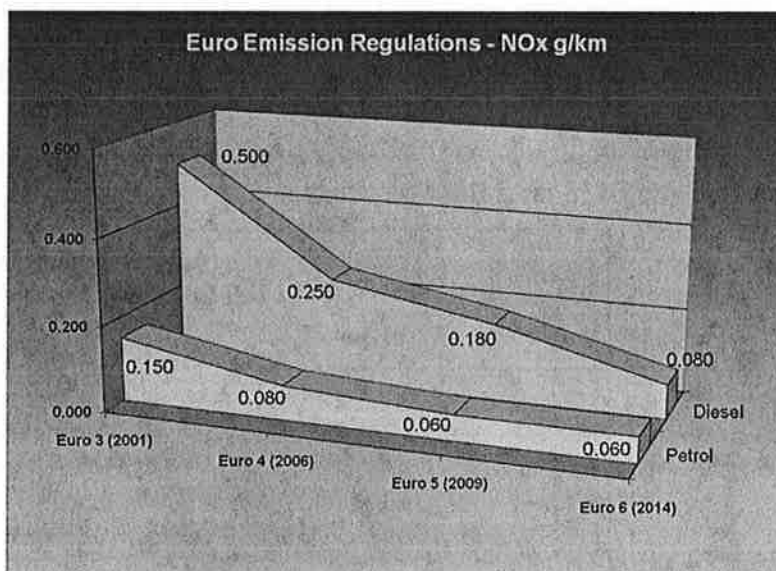
In 1993/94 emission standards were introduced across the EU to regulate and reduce the air quality emissions of vehicles: carbon monoxide (CO), hydrocarbons (HC), nitrogen oxide (NO_x) and particulates under 10 microns in diameter (PM₁₀) are all regulated but not the carbon dioxide (CO₂) emissions as they do not have a direct health impact. The regulated emissions have a range of public health impacts and environmental exposure to them is also regulated under European Air Quality Directives.

The emission standards are known as the “Euro” standards and are now widely used around the world although not always to the same time scale as in Europe. Prior to 1993 a range of national standards were in place but before 1988 there was little effective regulation of vehicle emissions.

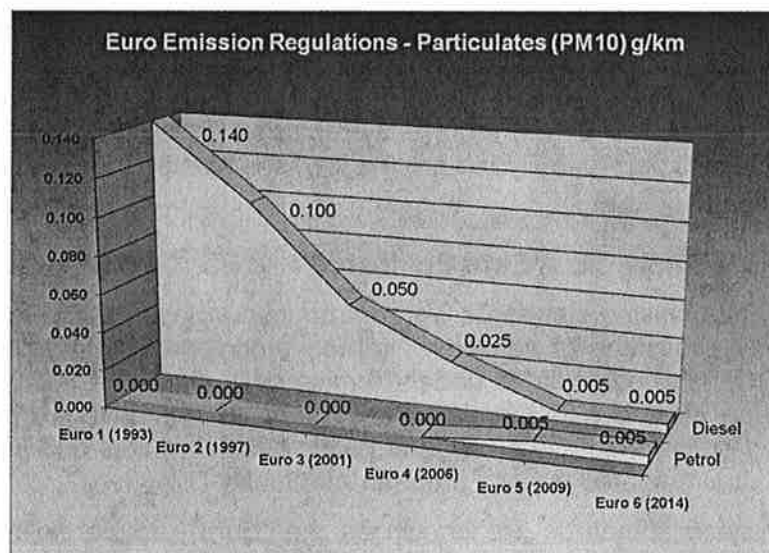
Euro 1 (1992/93) was followed by Euro 2 in 1996/97 and Euro 3 in 2000/01. Each standard took about two years to fully introduce starting first with new-to-market models of cars and ending with all new registration vans and HGVs. Euro 4 was introduced on the 1st January 2005 for new-to-market cars and on 1st January 2006 for all cars (under 2,500 kg maximum technical mass). With very few derogations every newly registered vehicle of any type had to conform with the Euro 4 standard from 1st January 2007.

The Euro 5a standard became obligatory from 1st September 2009 for all new-to-market cars (new type approvals) and was obligatory for all new cars from 1st January 2011 with a few derogations until 1st September 2011. Euro 5b (which adds a restriction on the number as well as the mass of particles from diesel engines) will come into force on the 1st September 2011 for new type approval cars and from 1st January 2013 for all new vehicles of any type.

Euro 6 implementation will start for cars on 1st September 2014. The first Euro 6 standard cars came on the market in 2011 and are manufactured by Mercedes.



The impact of Euro Emission standards on car Nitrogen Oxide (NO_x) emissions.



The impact of Euro Emission standards on car particulate (PM₁₀) emissions

Of all these standards Euro 3 is regarded as a significant step change in the reduction of emissions as, for the first time, the standard applied to engines running from cold and it was therefore seen as being more typical of urban use where most journeys are less than four miles and engines rarely warm up. Euro 3 vehicles require an exhaust catalyst to meet the standard and "Euro 3" forms the basis of the London and Norwich Low Emission Zones (LEZs) for Buses and HGVs and it is widely used for LEZs across Europe. All Hackney cabs in London have had to meet the Euro 3 emission standard since 1st July 2007.

Euro 4 was an incremental improvement over Euro 3 but Euro 5a brings diesel vehicles more closely in line with petrol vehicles (which have always been much cleaner) and significantly reduces particulate emissions (PM_{10}) which are a major public health concern alongside nitrogen oxides (NO_x) which account for over 95% of the UK's Air Quality Management Areas (AQMAs). Euro 5b addresses a concern that as the regulated mass of particles got smaller the particle size decreased and the particle number increased. As it is the small particles that enter the lungs legislation was required to limit particle number.

Pre-Euro 3 vehicles have comparatively high emissions and the use of Pre-Euro 3 vehicles in an urban area is of particular concern as emissions will be very poor when the engine is cold.

The actual impact of poor air quality is under constant re-assessment. Estimates of premature deaths in the UK due to poor air quality are put at 12,000-24,000 each year but the wide range indicates a significant degree of uncertainty. In March 2010 a UK Parliamentary report increased the estimate of premature deaths in the UK to 50,000/annum but this was challenged. All estimates are, however, much higher than the number of people killed on UK roads each year in accidents.

Over the last ten years (since 2000) the assessment of the impact of poor air quality has shifted from it being an antagonist to pre-existing medical conditions to it being one cause of poor health and in particular respiratory and circulatory ailments.

There is mounting evidence from around the world that children brought up within 100m of a main road suffer significantly more respiratory ailments (eg asthma) and there is also mounting evidence to link particulates in the air with particulates in the blood, blood clots and heart failure. Under the precautionary principle reducing these emissions in residential urban areas is an important public health issue but people working in these areas are also subject to prolonged exposure, often at times when pollutant levels are at their highest.

A significant source of NO_2 in this area will be the diesel engines in older (pre-Euro 3) HGVs, buses, vans and cars. The larger vehicles will be the main single-source emitters but the much larger number of cars and vans means their contribution can also be significant.

9.3 Safety Assessment – NCAP Standards

The Euro NCAP (New Car Assessment Programme) was introduced in 1996/97 and is an independent assessment of the safety of a vehicle in a collision. Up until February 2009 NCAP gave separate star ratings from 1 Star (poor) to 5 Star (good) for adult occupant, child occupant and pedestrian safety. The results are available on the NCAP website (see example below).

The screenshot shows the Euro NCAP website interface. At the top, it says 'EURO NCAP' with the logo and 'www.euroncap.com'. Below that, it says 'THE OFFICIAL SITE OF THE EUROPEAN NEW CAR ASSESSMENT PROGRAMME'. There are navigation tabs for 'HOME', 'OUR TESTS', 'RESULTS', 'ABOUT US', 'PRESS', and 'FAQ'. The main content area is for a 'Ford Focus'. On the left is a small image of the car. To the right is a table of ratings:

RATING	SCORE	Details
ADULT OCCUPANT ☆☆☆☆☆	35	Front: 16 Side: 16 Seatbelt reminder: 2 Pole: 2
CHILD OCCUPANT ☆☆☆☆☆	40	
PEDESTRIAN ☆☆☆☆☆	15	

Since February 2009 all new Euro NCAP test results are reported as a single overall rating that covers Adult Occupant Protection, Child Occupant Protection, Pedestrian Protection and a new area of assessment: Safety Assist. Under the new testing regime vehicles are awarded a single overall score from one to five stars. The assessment incorporates all previous tests and adds a set of Rear Impact (Whiplash) tests. In addition, the availability of Electronic Stability Control (ESC) and speed limitation devices is considered.

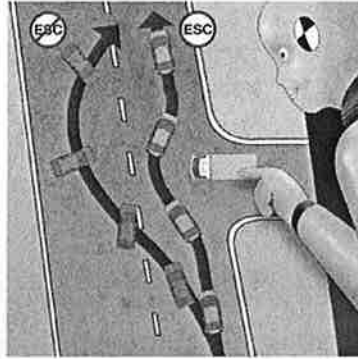
The overall rating is based on the car's performance in each of the four main areas and the scores are weighted with respect to each other. Over the next three years (2009-2012), stricter requirements will be introduced increasing the emphasis on all-round safety performance and demanding higher levels of achievement in each area.

Assessment of "real-world" accidents in Europe (Germany and Scandinavia) suggest occupant survivability is improved by 30-40% between an NCAP 1 Star vehicle and an NCAP 5 star vehicle. Unfortunately the NCAP regime only tests vehicles which are commonly used as family vehicles and is restricted to cars, some 4x4s, MPVs and crew-cab pickups; vans are not tested although the MPV variants of some car derived vans have been tested.

9.4 Electronic Stability Control (ESC)

Another important aspect of safety is the fitting of Electronic Stability Control (ESC) or its equivalent. NCAP estimates that the fitting of ESC on all vehicles in Europe (cars, vans, buses and HGVs) would result in 4,000 fewer deaths and 100,000 fewer injuries across the EU every year. ESC is not obligatory on new vehicles in the UK and depends on the model and the variant. From the NCAP ESC website:

"Several studies have now shown that cars fitted with ESC are less likely to be involved in accidents than those which are not. Estimates vary, but ESC could prevent around one death in five of car occupants, saving the lives of thousands of people every year across the European Union if fitted to all cars. ESC recognises when a skid is starting to happen. In a fraction of a second the electronic control unit applies the brakes at individual wheels, helping to keep the car under control before the skid develops. Whether the skid is the result of an emergency avoidance manoeuvre or a simple error of judgement, ESC can help a driver maintain control of the vehicle."



Visit <http://www.esafetychallenge.eu/> for more information about ESC and other new safety features such as automatic lane control, blind spot monitoring, speed alert and emergency braking assist.

December 2010 NCAP Press Release: *"The European Commission is now ready with a proposal for a Regulation on the general safety of motor vehicles which lay down harmonised rules on the construction of motor vehicles. **The proposal aims to enhance the safety of vehicles by requiring the mandatory fitting of Electronic Stability Control for all new cars in Europe from 2012.** In normal driving conditions, ESC can reduce accidents by more than 20 percent while its benefits are even more significant under wet or icy conditions where the accident reduction rate increases to between 30 and 40 percent. The proposal on safety also introduces requirements for Tyre Pressure Monitoring Systems and Low Rolling Resistance Tyres, which will not only contribute to improving safety but are also part of the integrated approach to reduce CO₂ emissions from cars."*

10 Appendix D: Smarter Driving and EST Training

10.1 Advice for Smarter Driving

Smarter driving advice

Key techniques that can reduce fuel consumption by up to 15%

- **Check your revs.**
Change up between 2000rpm and 2500rpm
- **Drive smoothly.**
Anticipate as far ahead as possible to avoid unnecessary braking and acceleration
- **Step off the accelerator.**
When slowing down or driving downhill, remain in gear but take your foot off the accelerator as early as possible. This reduces fuel flow to the engine to virtually zero
- **Slow down.** Driving within the speed limit is safer and reduces fuel consumption.

energy saving trust energysavingtrust.org.uk/fleet

15%
Less fuel use

Following these simple smarter driving tips can result in significant reductions in fuel use.

10.2 EST's Smarter Driving Training Programme - Wales

The basis of the programme is short-duration lessons (approx 50 mins), starting and finishing from the workplace. Drivers complete a given circuit on public roads before and after their training and fuel consumption is measured for both laps so the percentage improvement can be calculated. Despite their short-duration the lessons are effective: To date the Energy Saving Trust has trained more than 10,000 drivers and seen an average 15% reduction in fuel consumption between the 'before' and 'after' laps.

The programme is available for private and public sector organisations in Wales at a cost of £40+VAT per person with a minimum booking of eight trainees per organisation. Training is available for all employees with driving licences whether or not they drive on company business. Each trainee will receive a certificate that shows his/her percentage reduction in fuel consumption after training and states how this would translate into annual financial and carbon dioxide savings given his/her current vehicle and annual mileage. Both car and van drivers are eligible for the programme.

For more information please contact the Energy Saving Trust. bob.saynor@est.org.uk
07786 384 818.

11 Appendix E: Car Clubs in the UK

Grey or Pool Fleet operation can involve a lot of expense and administration for an organisation and in the case of the Grey Fleet a significant element of reputational risk (uninsured, not roadworthy and not fit for purpose). By becoming a corporate member of a car club, organisations gain access to a fully managed fleet of cars, but without the fixed costs, depreciation and administrative burden.

What is a car club?

Car clubs offer self service access to a range of vehicles parked in dedicated bays nearby, or in your own car park, 24/7. In the UK, car clubs have proven successful using different models on varying scales, providing pay by the hour access in locations as diverse as London and Llanidloes.

How does a car club work?

1. **Book:** By telephone or internet, for as long as needed, in advance or with a few minutes' notice.
2. **Unlock:** Cars are located at designated parking bays and accessed with the member's smart card.
3. **Drive:** By swiping a smart card or entering a pin. Extend bookings as you drive
4. **Pay:** As-you-go charges include fuel and maintenance.

What are the benefits of a car club?

Potential benefits include improved efficiency, reduced risk and less administration burdens, the cars in the car club will be low emission (Euro 4 or Euro 5), safe (NCAP 4 or NCAP 5) and lower carbon (under 150 g/km but you can discuss this with your operator):

- Itemised account statements provide detailed information on usage including your own internal job codes so that you can keep track of your travel costs and easily attribute the charges to departments or projects.
- Staff can book the cars themselves using the online system provided by the club or longer term agreements can be made. Plus you can make use of any car from the club's entire network not just those that may be assigned to you on working days.
- By giving your staff access to a car during the day, some may be able to commute to work by public transport, freeing up valuable parking space and reducing rush-hour congestion.
- By supporting a car club in your area as an organisation you can bring a benefit to the local community that would otherwise not have been available.

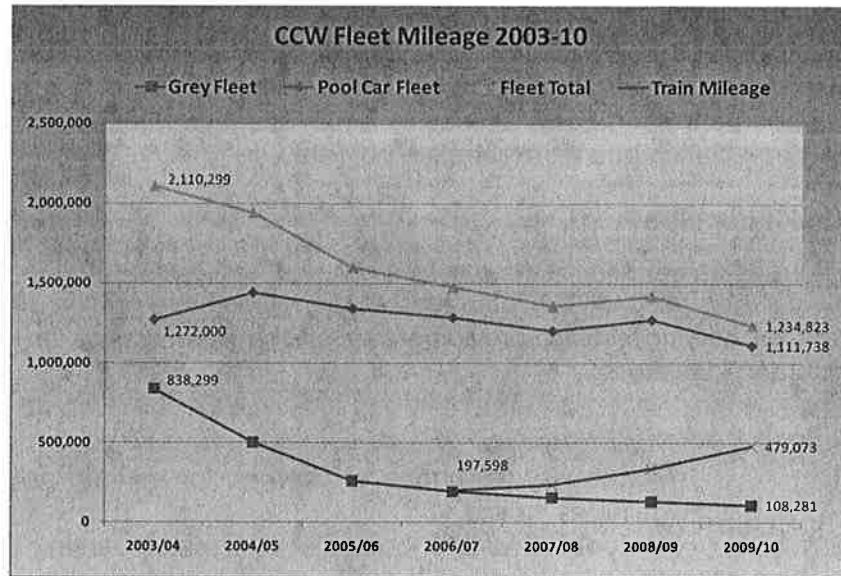
What type of organisation can use a car club?

Current car club members include Local Authorities, Housing Associations and Universities such as Bristol University, Servite Thames, and Leeds City Council; plus individuals, private companies and other public bodies.

Where can I get more information on car clubs?

Carplus is the national charity supporting the development of car clubs. The Carplus website www.carplus.org.uk hosts useful resources including case studies, guidance documents and events. Further information can also be found on the Department for Transport's website and in *Delivering Sustainable Low Carbon Travel: An Essential Guide for Local Authorities*, London, 2009.

12 Appendix F: Countryside Council for Wales – Grey Fleet



Although there has been no reduction in pool fleet mileage there has been a reduction of up to 70 tonnes/annum in pool fleet emissions due to improved fuel efficiency in the fleet. Average published emissions of the pool fleet in 2009/10 was 131 g/km.

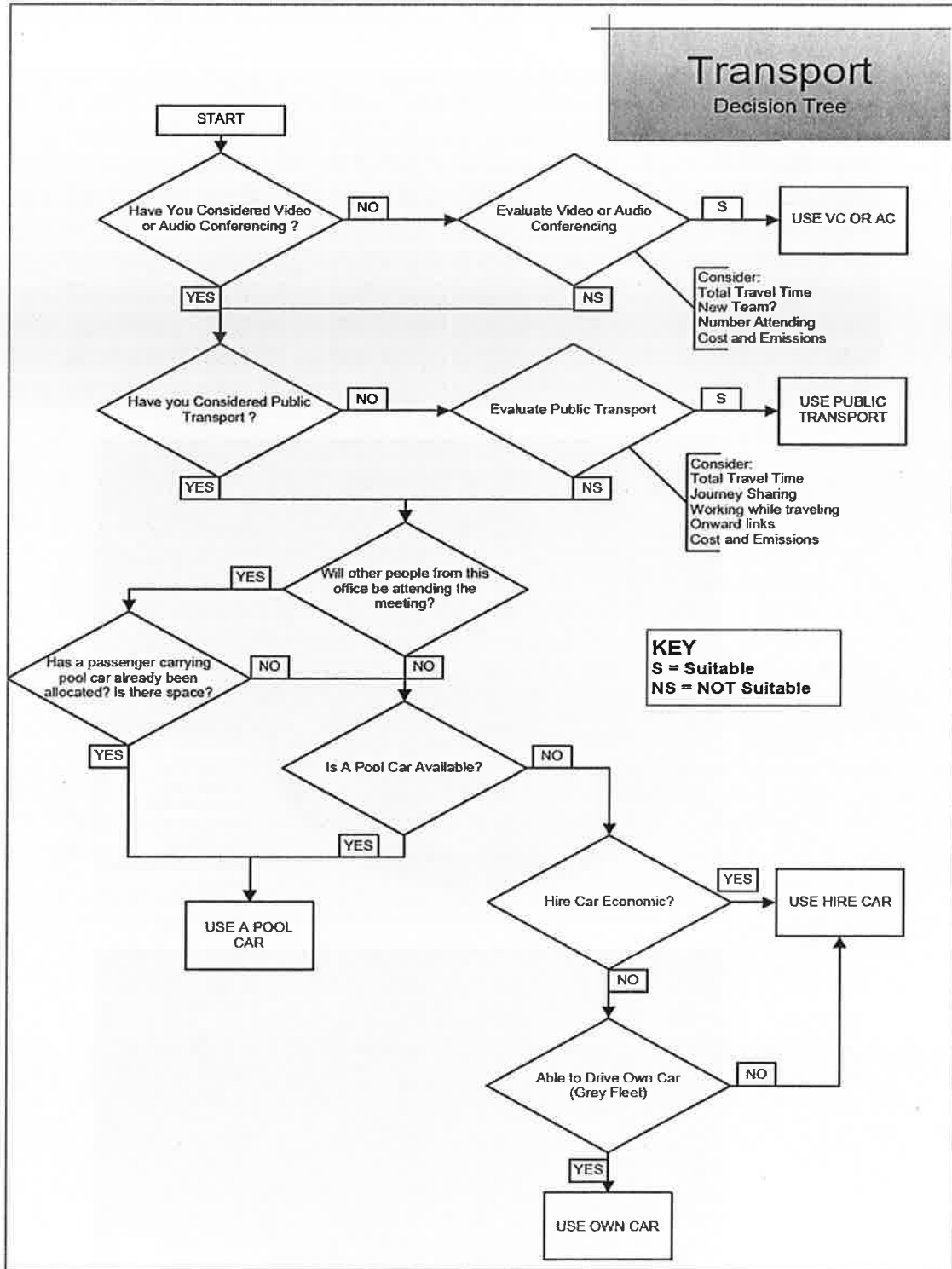
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Pool Car Fleet	1,272,000	1,440,690	1,341,122	1,285,009	1,204,039	1,271,342	1,111,738
Grey Fleet	838,299	500,920	258,209	193,181	155,229	129,335	108,281
Hire Fleet						20,400	14,804
Fleet Total	2,110,299	1,941,610	1,599,331	1,478,190	1,359,268	1,421,077	1,234,823
Train				197,598	236,800	335,428	479,073
Air				24,014	28,965	51,091	22,092
Cycle				356	464	421	787
TOTAL	2,110,299	1,941,610	1,599,331	1,700,158	1,625,497	1,808,017	1,736,776

Note: 2004/05 Pool Car fleet mileage estimated from sample.

All data from published CCW Annual Environmental Reports 2003-2010

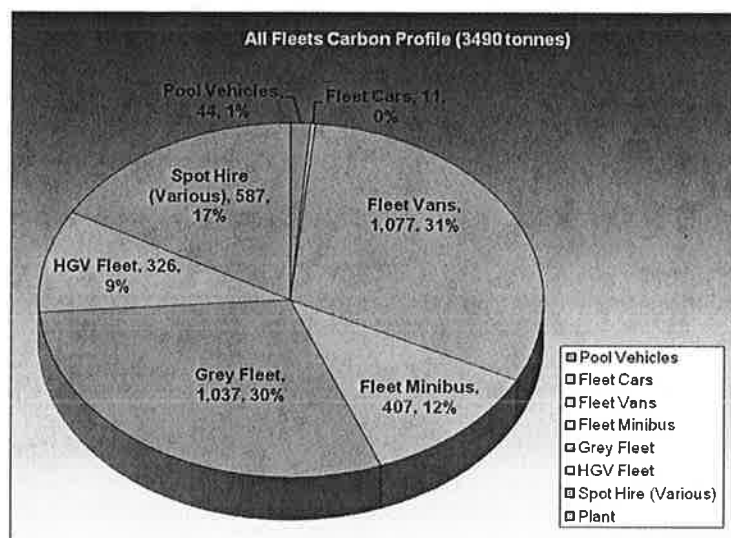
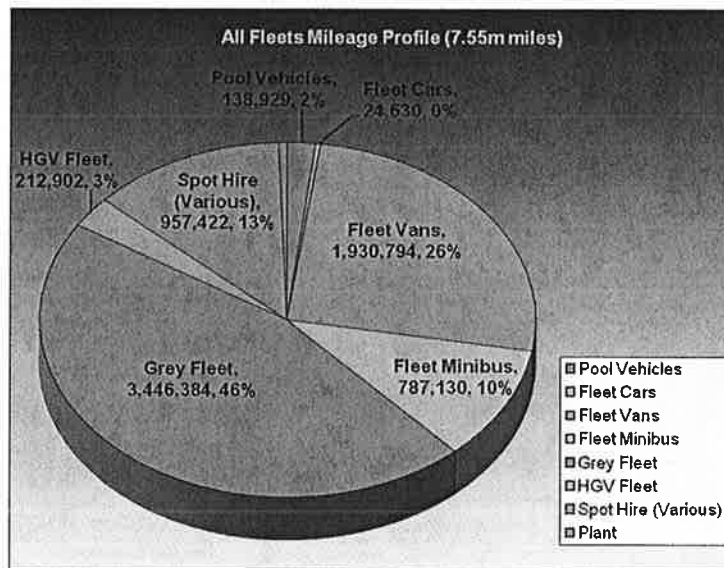
The increase in train travel is a combination of a real increase and an improvement in monitoring. It should be noted that there is no train travel recorded in the early years (2003-2006) although trains were being used by staff.

12.1 CCW Transport Decision Tree



13 Appendix G: HGV and Spot Hire Emissions

Fleet	Units	Carbon	%	Miles	
Pool Vehicles	25	44	1.3%	138,929	1.8%
Fleet Cars	4	11	0.3%	24,630	0.3%
Fleet Vans	286	1,077	30.9%	1,930,794	25.6%
Fleet Minibus	133	407	11.7%	787,130	10.4%
Grey Fleet	3,067	1,037	29.7%	3,446,384	45.7%
HGV Fleet	60	326	9.3%	212,902	2.8%
Spot Hire (Various)	234	587	16.8%	957,422	No Data
Plant	10	No Data	No Data	42,576	0.6%
All Fleets Total		3,490		7,540,766	



The Spot Hire fleet includes a number of waste HGVs on long term daily rental.

Area	No.	Detail	Accepted Saving	Notes
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2011/12

CTS	246	Vehicle Maintenance Fitter - deletion of a vacant post has been achieved by re-organisation of workshop loading to ensure vehicles are dealt with in a prompt manner.	30	
CTS	247	Home to School Transport Route Optimisation - re-allocate contracts from framework as contracts expire along with re-routing with savings of circa £200k for a full year.	219	No longer part of CTS, now part of Strategic Planning, Highways, Traffic & Transport.
CTS	248	Central Transport Service Transformation Savings - savings are part of the transformation programme within the CTS. Further savings are to be achieved via vehicle tracking, vehicle colour standardisation, vehicle efficiency savings, tyre, parts and hire frameworks.	481	

CTS Savings 730

FM	229	Building Maintenance Spend - current revenue budgets for building maintenance (excluding schools' delegated budget and Council house repairs) total £3.14m. The spend is across a range of service areas, and much is spent directly by services rather than being channelled through Corporate Procurement arrangements. Delivery within the reduced budget will be facilitated by maximising procurement opportunities presented by aggregated spend and by challenging work requests, focussing on maintenance works which are essential for service delivery.	400	Effectuated as top slice to service areas
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FM Savings 400

Total CTS & FM Savings 1,130

2012/13

CTS	142	Commissioning and Procurement - Transport Fleet - The Category Management plans have indicated a saving of £500k can be achieved against the external spend in this area.	500	
CTS	143	Commissioning and Procurement - Passenger Transport - The Category Management plans have indicated a saving of £200k can be achieved against the external spend in this area.	200	No longer part of CTS, now part of Strategic Planning, Highways, Traffic & Transport.

CTS	144	Commissioning and Procurement - Vehicle parts, tyres, repair/maintenance and plant - The Category Management plans have indicated savings of £210k can be achieved against the external spend in this area. This will reflect the reduction of spend in vehicle parts, tyres and maintenance as new vehicles will be supplied reducing the age profile of the fleet. The saving represents a part year effect as implementation will happen in the later part of the year.	210	
CTS	145	Fleet Reduction Authority wide - The proposal is based on a reduction of vehicles as this will be required to drive out savings over and above the category management process. This is only achievable if service areas release vehicles once they have been highlighted by Central Transport Services. The intention would be to undertake analysis on categories of vehicles including vehicle utilisation.	372	
CTS	152	Central Transport Service restructuring - The saving will be achieved through a restructuring of posts within the Centralised Transport Service.	113	

CTS Savings 1,395

FM	139	Commissioning and Procurement - Facilities Management - This will result in reductions for the building repair and maintenance controllable budget of £2.4m on external spend, subject to the procurement of goods and services in a timely manner. The Category Management Plan opportunity has highlighted achievable savings of which £170k is considered a realistic figure.	170	
FM	146	Facilities Management Organisation (FM Project) - The facilities management functions across the Council are being centralised with effect from April 2012. This will provide opportunities for economies of scale and other efficiencies which will release an estimated saving of £762k in 2012/13. All buildings will be maintained to the standard of warm, safe and water tight to ensure savings are achieved.	762	

FM Savings 932

Total CTS & FM Savings	2,327
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2013/14

CTS	207	Central Transport Services (CTS) Category Management Fleet Spend - full year effect of 2012/13 saving against external spend in this area.	77	
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CTS	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	
CTS	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	This was reallocated out to service areas based on car allowance budgets.
CTS	221	Passenger Transport Category Management Procurement - deliver all the proposals and opportunities identified in the Passenger Transport Category Management Plan on time. £140k from utilisation of adult services minibuses on school routes, therefore increasing utilisation and reducing spend with external contractors £20k from VEST (community provider) allowing them to park at Brindley Road.	360	No longer part of CTS, now part of Strategic Planning, Highways, Traffic & Transport.
CTS	222	Passenger Transport Independent Travel Training - the scheme is being rolled out into other councils who are paying for the project co-ordinator to set up similar schemes in neighbouring authorities and the income is funding the cost of the training in Cardiff.	26	No longer part of CTS, now part of Strategic Planning, Highways, Traffic & Transport.
CTS	223	Passenger Transport - closer working relationship with the Central Transport Service (CTS) administration team will be developed to share administrative resources and also involve them in the contract management spot checks and follow up, as well as utilising specialisms within the CTS teams around vehicle maintenance requirements and driver training requirements.	23	No longer part of CTS, now part of Strategic Planning, Highways, Traffic & Transport.
CTS	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	

CTS	237	<p>Improving Driver Behaviour - by improving driver awareness in areas such as Insurance Claims, Driver Performance Management via tracker information giving details on harsh braking 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.</p>	250	
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CTS Savings 1,574

FM	210	<p>Facilities Management (FM) Security - savings are based on buildings with an FM security budget. A £487k saving is based on reduced operating hours for the eight in-scope buildings (City Hall, County Hall, Lamby Way, Marland House, Willcox House, Brindley Road, Cardiff Castle and Central Library) which would close at 10pm and re-open at 6 am. They would be closed all day Sunday (excluding Lamby Way). Should events occur in these buildings outside normal hours then the event would be charged directly for the additional security. The proposal would result in a staffing reduction of 10 FTEs. Additional detailed work will now be undertaken to ensure the saving can be realised without compromising operational efficiencies. Savings should also be made on operating costs of these buildings.</p>	487	
FM	211	<p>Office Cleaning - proposal to clean all non-school buildings to a consistent standard. A team cleaning model will be implemented and the service desk used to monitor feedback and cleaning requirements. A £479k saving would be achieved in 2013/14, with a further £105k in 2014/15. There would be approximately 68 displaced staff shifts (22 FTE) by the end of the third phase. Staff will be offered voluntary severance, vacancies in schools services or training and reskilling to fill other Council vacancies. The proposal also reflects associated savings on cleaning consumables.</p>	479	
FM	212	<p>Facilities Management (FM) staffing reductions and Merger of Business Support - Business Administration teams will merge with FM and Central Transport Service (CTS). Currently there are a number of posts covered via Cardiff Works and vacant posts which can be deleted once the process of the business case has been realigned and consultation completed. Implementation April 2013.</p>	120	
FM	213	<p>Reduction in energy consumption - a £50k reduction across facilities management buildings via reduction in energy consumption through good housekeeping and energy initiatives. This will involve working with the Energy Management Team and close monitoring of energy use information.</p>	50	

FM	233	Reduction in Agency Spend - measures will be taken to reduce the use of agency within Facilities Management through filling posts on a permanent basis.	12	
FM	236	Building Maintenance Services Procurement Contract - the Council is in the process of procuring framework arrangements for all building maintenance services. It is anticipated that the full year impact of these savings (£78k against annual £0.5m spend on general building services and £146k against annual spend of circa £2.9m on mechanical and electrical services).	223	

FM Savings 1,371

Total CTS & FM Savings	2,945
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TOTAL FM SAVINGS 2011-14	2,703
TOTAL CTS SAVINGS 2011-14	3,699
TOTAL SAVINGS 2011-14	6,402

	CTS	FM	Total
2011/12	730	400	1,130
2012/13	1,395	932	2,327
2013/14	1,574	1,371	2,945
Total	<u><u>3,699</u></u>	<u><u>2,703</u></u>	<u><u>6,402</u></u>

My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 10 April 2014

Councillor Graham Hinchey
Cabinet Member for Corporate Services and Performance
Cardiff Council
Cardiff
CF10 4UW



County Hall
Cardiff,
CF10 4UW
Tel: (029) 2087 2087

Neuadd y Sir
Caerdydd,
CF10 4UW
Ffôn: (029) 2087 2088

Dear Councillor Hinchey,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 1 April 2014 Council Quarter 3 Performance Report

On behalf of the Committee, please may I thank you following your first visit to Policy Review and Performance Committee last week in your new Cabinet Portfolio role. The Committee Members look forward to developing a productive working relationship with you in this role, to support the ongoing improvement of the Council's services. I will be grateful if you can also convey our appreciation to the Chief Executive and to the Assistant Director of Sport, Leisure and Culture for presenting the new look Quarter 3 corporate performance report.

Thank you for sharing your initial impressions and views on the improvement agenda, and your intention as Cabinet Member to champion and praise good performance, and to challenge areas that can be improved at operational and management levels.

As an overall piece of feedback, Members felt that the new style report is succinct, and relatively clear on priority issues. We would like to see a stronger link between quarterly reports so that it is made clear how successfully the issues previously flagged up as challenges for the forthcoming quarter had been managed.

Members noted that the Chief Executive sees the new refreshed quarterly reporting documents as a work in progress, and that they would continue to evolve in coming quarters. They were interested to hear him describe emerging improvement approaches being considered at Senior Leadership Team as pathfinders towards new ways of improving performance, with the recent action plan emerging from the Estyn monitoring re-visit cited as a case in point. We will be very interested to hear you, Paul and Martin elaborate on these ideas at an appropriate point in the future.

A Member's question about the management of performance of issues that cut across Directorate boundaries promoted an interesting series of questions. We noted Martin Hamilton's contention that there was a need to develop arrangements for harvesting data from each Directorate involved in fulfilling part of a cross-cutting agenda, so that it can be reported as appropriate in partnership settings. Members were also pleased to hear from Paul Orders that – while the new look Directorate Delivery Plans for 2014/15 would better support the management of performance of cross-cutting agendas – this would continue to improve moving forward, and that



Members would see further improvement on this point as the organisation moves into its planning for 2015/16 delivery. Committee will follow these planned improvements with interest.

Another line of enquiry at the meeting revolved around the topic of benchmarking - specifically on this occasion benchmarking around the consistency and level of challenge in setting stretching improvement targets. We are glad that both officers present are strongly focused on this area, and concede that it will take time to develop appropriate benchmarking arrangements. You will appreciate that this subject has been one steadily championed by this Committee over the past two years (as for instance in correspondence to Councillor Joyce and Councillor Cook last month that I have appended to this letter for your information), and that the new Council Leader was probably the firmest advocate of the need to improve benchmarking while he served on PRAP. It was particularly interesting to hear Paul Orders talk of the potential for future performance reports to have a "corporate wrap" with key messages about the Council's overarching performance quality across its services and Directorates. We look forward to returning to this topic at future scrutinies of performance.

A Member asked if citizens and other interested stakeholders (including non-executive Members) could access and interrogate open and machine-readable data on the Council's performance. We thank Paul Orders for suggesting that he would take this back to explore the timelines and resource needs involved in making this kind of data available.

Moving onto a specific topic, you heard at the meeting the enthusiasm Members expressed for considering the Council's Property Strategy. We have been looking forward to this item for some time, and were delighted to hear that following discussions with Neil Hanratty you felt it will be available to come to PRAP very soon. From the comments made by Members at the meeting you will understand that Committee is hoping that the Strategy will contain some interesting ideas which fall "outside the box", and which will act to protect the quality and unique appeal of the city centre to a wide range of demographic and interest groups. We understand that the concept of a "Public Sector Hub" referred to in the Q3 performance report may still be in its early days, but would also be keen to further explore this concept (and the Council's potential participation in a hub of this kind) if possible as part of the Property Strategy.

Picking up on a small piece of recent business, Councillor Goodway had at a meeting earlier this year indicated that – to support rigorous monitoring of the delivery of budget savings during the coming year – he would be prepared to attend Committee monthly if needed to report on progress in this area. You may be reassured to hear that Committee felt this would present an unnecessarily onerous burden on his time, but we would be interested in receiving a short monthly written report. I will be grateful if you could discuss with Christine Salter, and ask her to come back to our Committee's Principal Scrutiny Officer Kate Ward to progress this.

In closing, I and Committee colleagues look forward to meeting you again soon, and wish you all success in getting to grips with your challenging and important new role.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nigel Howells', with a long, sweeping horizontal stroke at the end.

COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Paul Orders, Chief Executive
Martin Hamilton, Assistant Director – Sport, Leisure and Culture
Cabinet Support Office
Members of Policy Review & Performance Scrutiny Committee

My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 10 April 2014



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Neuadd y Sir
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Councillor Ralph Cook,
Deputy Leader
Cardiff Council, County Hall
Cardiff
CF10 4UW

Dear Councillor Cook,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 1 April 2014 Council Website

Thank you for attending yesterday's Policy Review and Performance Scrutiny Committee with Marie Rosenthal, Isabelle Bignall, Catherine Smith and Edward Townsend to update Members on the Council's new website. We were pleased to see you back at PRAP following your recent ill health, and wish you all success in the important role you have in the new Cabinet.

Members were pleased to receive the presentation on the website, which looks very polished, and shared a number of thoughts at the Way Forward at the end of the meeting. I hope that the observations and recommendation outlined below are helpful to you and officers in shaping the 'soft launch' arrangements.

We noted your candour in recognising that the Council's online presence may have fallen behind the level of some other local authorities in recent years, but pleased to hear of your strong vision for how the Administration will be seeking to harness the potential of the new website ahead of the September 2015 full SAP Customer Relationship Management integration. We were particularly pleased that the new website would enable community participation, with links to Council campaigns and consultations, and signposting to Friends groups and third party providers.

In terms of the SAP CRM integration, Members were reassured to hear Isabelle confirm that the September 2015 deadline is still anticipated to be met, and are excited at the potential that this will unleash for a fully transactional website. We look forward to further news in advance of the intended initial launch of the link to Mobile Scheduling technology, giving us the capability to monitor and interact with customers as repairs are being undertaken.

While supporting the principles behind your work on the SAP CRM enterprise architecture, a Member correctly questioned around whether the in-house development of this was in fact the best solution for the Council, or whether a commercial "off the peg" system might have allowed us to introduce more timely improvements to customer interaction well in advance of September 2015. We were content with Isabelle's advice that the in-house option would deliver an advanced system that would be future proofed, and well-integrated with our service delivery



and management arrangements, offering us better value and quality in the medium to long term.

As we recognise that Committee will be able to monitor the above issues as the project moves forward, most of the points below relate more to the governance, general and communications sides of the website.

- **Access Channel preferences:** You will remember that two Members raised some concerns regarding digital inclusion, and wished for reassurance that citizens who are not regular or confident users of technology would still be able to fully transact with the Council by phone or in person. The Committee was pleased to hear Isabelle re-confirm that the Council would continue to accommodate citizens' choice of channel.
- **Democracy issues and Member involvement in website governance:** Although Members liked the ideas you set out of a 'Cardiff Story' to be told in video clips from Members, officers and citizens, we did not see from the presentation or evidence provided how the website would specifically increase public interest or citizen engagement in local democracy. We were, however, advised by Marie Rosenthal that the Democratic Services Directorate was planning to procure during 2014/15 a bespoke Committee Administration package that – as well as making democratic administration more efficient and effective – had the potential capability to promote the work undertaken by the Council via blogs, Member annual reports and Member websites and more, and generally enhance democratic and Member engagement. Committee will be interested to hear when further details of this will be available, and what the interfaces might be between the website and this package.

On the narrow website governance point that was raised, Members were pleased to hear your assurance that the Content Management Board will enjoy strong elected Member representation, and we look forward to receiving further details of this in due course.

- **Central control versus decentralisation:** Members questioned how centrally controlled the development and maintenance of the website would be in coming years. Members noted and concur with your expressed view that for the immediate future it should remain centrally controlled. Although we would like the central team to be responsive to local needs and creative ideas feeding in from Service Area Liaison Officers, we can see the benefits of central control in ensuring consistency and adherence to delivery of Council priorities – as for example in the wider customer management function – our recommendation would be to review the effectiveness of arrangements following an initial period of operation, before ceding too much control back to service areas.
- **Social Media integration:** Members did not note from the presentation a strong desire to integrate social media with the website. This seemed somewhat puzzling, as platforms like Twitter and Facebook are so widely used as channels of choice by many people today. Members were also mindful of the recommendation made by the Committee's April 2013 task and finish inquiry into *Public Engagement With Scrutiny* (which I note has yet to receive

a Cabinet response) that Scrutiny Services consider developing a Facebook page.

Members recognise that social media may be easier for the Council to manage as a communications tool rather than as a transactional tool, and that it has deficits in terms of the Council's ability to monitor, quality assure and report on actions taken in terms of customer requests. We feel, however, that in terms of customer focus our citizens should be able to report faults in the way that is most natural and most convenient to them. We would urge you not to consider social media like Facebook as an afterthought as a communications interface with the Council website, or to constrain too heavily the channels for our citizens' transactions with the Council.

Many thanks again for your engagement with the Committee on this matter; we would appreciate your response on the points raised above.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nigel Howells', with a long horizontal flourish extending to the right.

COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Sarah McGill, Director, Communities, Housing & Customer Services
Marie Rosenthal, County Clerk and Monitoring Officer
Isabelle Bignall, Assistant Director
Catherine Smith, Operational Manager, Communications
Edward Townsend, Project Manager
Cabinet Support Office
Members of the Policy Review & Performance Scrutiny Committee

