

CYNGOR CAERDYDD

CARDIFF COUNCIL

POLICY REVIEW AND PERFORMANCE

SCRUTINY COMMITTEE

16 May 2018

Central Transport Services – Commercial Development

Summary of Issues & Proposed Recommendations

Reason for the Report

1. To offer Members an opportunity for policy development scrutiny and a progress report on the Council's draft proposals to develop its Central Transport Services commercially.

Background

2. The Council's Central Transport Service (CTS) is responsible for the management and maintenance of the Council's corporate fleet vehicles, to provide the necessary vehicle support to enable all directorates within the Council to deliver effective and responsive services.
3. Also included as part of the Fleet Service provision is the fabrication service. Both the fleet workshop and the fabrication workshop have the objective of increasing income.
4. On 14 June 2018 the Cabinet will consider a summary of the issues faced by the two services, and an outline of the approach proposed to increase income for these areas.
5. The report programmed for June Cabinet has been assessed as amber status for consideration by scrutiny. As such, the Committee has been offered an outline briefing and a full presentation on the position to date, to

facilitate consultation with non-executive members, giving Members an opportunity for discussion and comment.

Context

6. The Committee has an ongoing interest in the Infrastructure Business Model that commenced in July 2015, when it undertook a joint scrutiny inquiry together with the Environmental Scrutiny Committee, to examine an **Infrastructure Business Model and Alternative Delivery Options**. At that time, the Central Transport Service was identified as a service open to an alternative delivery mechanism.
7. In May 2016, the Committee had an opportunity to scrutinise Cabinet proposals outlining the Full Business Case for introducing the Infrastructure Services Alternative Delivery Model.
8. From the outset the objectives of the Infrastructure Services Alternative Delivery Model project have been to:
 - Reduce operating costs;
 - Improve outcomes to address current performance weaknesses;
 - Improve customer satisfaction, demand management and reduce failure demand, to more effectively address the increasing demand for services;
 - Develop effective partnership and collaborative working, where appropriate; and
 - Optimisation of income generation to support core funded services.
9. The outcome of Cabinet's consideration in June 2016 was agreement to establish Commercial and Collaboration Services, consisting of Recycling Waste Management Services: Commercial Waste Collections, Domestic Waste Collections, Recycling, Waste Treatment and Disposal (recycling facilities, transfer stations and HWRC, depots); **Fleet Services: Central Transport Service and Fleet Management**; Total Facilities Management: Hard Facilities Management (Building Maintenance), Soft Facilities Management, (Cleaning, Security and Building Management) and Pest

Control; and Projects, Design & Development (PD&D).

10. The CTS Delivery Plan for 2017-18 contains the following Key Objectives:

- Commence the use of *Tranman FMIT* – a fleet management software system
- Improve service delivery to internal users
- Continue to grow external income through Vehicle Workshops and Fabrication (target increase in net income - £75k)
- Accelerate vehicle utilisation project
- Insource services which are currently outsourced where possible, e.g. Vehicle wash

Previous Scrutiny

11. The Committee last received a progress update on Commercial and Collaboration services in January 2017, when Members felt that in a relatively short period of time significant improvements had been achieved in Fleet Services, in particular the Committee:

- welcomed the implementation of the Civic Tranman fleet management software; considering this system would be a vast improvement to the card and spreadsheet systems previously used. Members were confident that it would create significantly better financial control across the service, having long viewed the introduction of such a system as vital, and have previously identified it as a critical element in improving service standards.
- was very pleased at the progress made in terms of balancing the budget. At the time of the meeting, the service was confident of achieving a balanced budget by the end of the financial year 2016/17, a significant improvement when compared to previous years, suggesting that huge improvements had been made in a relatively short period.
- was pleased to see that the vehicle utilisation programme had already started to deliver savings against a two-year savings target of £400,000, and that gaining a better understanding of how Council

vehicles are actually utilised had meant that the service has been able to reduce the Council fleet by 23 vehicles – a positive step forward in terms of both savings and effective resource management.

- welcomed the introduction of zero-based budgeting and a cost pricing model into Fleet Services. This approach had been advocated by the Committees earlier scrutiny of the Infrastructure Services project. The approach ensures a better understanding of costs, which is essential for driving commercial improvements. Members encourage the roll out of this approach out to the other parts of the Commercial & Collaborative Service as a priority.
- considered it was clear that much work had taken place to identify the actual capacity and capability of the service – Members believed that this had been an important step. For example, gaining a better understanding how much of the workshop was actually used had created new income generation and partnership opportunities which the Council had previously not realised existed. This was a really positive step meaning that in future the service would be better placed to “sweat our assets”.
- was pleased to see that the efficiency improvements were helping to create new income opportunities for the service. The Committee looked forward to seeing these opportunities being translated into actual income through activities like additional MOT’s, servicing vehicles for third parties, and leasing out workshop space to other public sector partners.

12. The Committee congratulated the Commercial & Collaboration Service for the progress made in a relatively short time. Members were reassured that the service had agreed with and followed through on a number of key recommendations from recent scrutiny of the Infrastructure Services Project, for example, delivering swift improvement, implementing specialist third party service delivery software, introducing new training opportunities,

focusing on income generation and improving financial control through zero based budgeting.

Way Forward

13. Attending the meeting for this item will be Councillor Russell Goodway, Cabinet Member Investment and Development, and senior officers, who will take the Committee through a presentation of outline proposals going forward, Neil Hanratty, Director of Economic Development and Tara King, Assistant Director Commercial and Collaboration.
14. Members may wish to consider the presentation and discussion of issues raised at the Committee, and raise any matters for clarification to inform the final draft Cabinet report.

Legal Implications

15. 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 the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers of behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

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

RECOMMENDATIONS

The Committee is recommended to:

1. Consider the outline proposals and progress for Cardiff Transport Services presented at Committee.
2. Consider whether it wishes to refer its comments and observations to inform the final draft report to Cabinet in June 2018.

DAVINA FIORE

Director of Governance and Legal Services

10 May 2018