

Scrutiny - Cooperative Scrutiny Reviews

Thursday 28 August 2014

PRESENT:

Councillor Murphy, in the Chair.

Councillors Mrs Aspinall, Hendy, Dr. Mahony, Morris, Stark and Storer.

Also in attendance: Tom Cox (Project Manager – Transformation), Simon Dale (Interim Assistant Director for Street Services), Ross Jago (Policy and Performance Officer), Lee Pundsack (Project Manager – Transformation), Helen Rickman (Democratic Support Officer) and Councillor Vincent (Cabinet Member for Environment).

The meeting started at 3.30 pm and finished at 5.00 pm.

Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

6. **APPOINTMENT OF CHAIR**

Agreed that Councillor Murphy is appointed as Chair for this review.

7. **DECLARATIONS OF INTEREST**

There were no declarations of interest in accordance with the code of conduct from members in relation to items under consideration at this meeting.

8. **CHAIR'S URGENT BUSINESS**

There were no items of Chair's urgent business.

9. **CATEGORY MANAGEMENT FLEET SERVICES PROJECT BUSINESS CASE - TO FOLLOW**

The Chair advised Members that three business cases were attached to the agenda for consideration in which Simon Dale (Interim Assistant Director for Street Services), Lee Pundsack (Project Manager – Transformation) and Councillor Vincent (Cabinet Member for Environment) would provide a brief overview and answer questions. To facilitate good meeting management the Chair confirmed that each business case would be discussed individually and final recommendations, if any, would be discussed at the end of the meeting.

Simon Dale, Lee Pundsack and Councillor Vincent informed Members that –

- (a) the Council's Fleet and Garage service currently controls most of, and maintains efficiently, the Council's fleet; with such a large Fleet having many users, controls and standards of procurement the service requires review;
- (b) the project aimed to address the service through three work-streams including an IT vehicle tracking system, commissioning of vehicles and the exploration of additional commercial opportunities;
- (c) the proposed solution includes the fleet management and maintenance function taking control of all fleet matters, allowing a holistic view and central support and challenge across the Council;
- (d) the category management approach to fleet services would realise some significant financial benefits including fewer vehicles, reduced vehicles downtime, improved fuel control and better value procurement;
- (e) the projected was targeted to deliver at least £300k per annum in savings in the first year and a further £500k in the second year; this would result in an annual revenue reduction of £800k per annum by 2016/17. To deliver this there was a need for a one off total investment of £118k;
- (f) by developing the fleet management and maintenance teams and making the service financially viable, the service would be better able to compete in the market place;
- (g) this business case linked to other transformation business cases such as the Waste Collection Reorganisation and Street Services.

In response to questions raised it was reported that –

- (h) the Council would purchase the market leader in Fleet Management IT systems, to track vehicles and monitor the usage of each vehicle within the fleet;
- (i) the initial outlay of £91k for software development would count as a capital cost through the transformation programme;
- (j) since April/ May 2014 the Council had encouraged staff to take advantage of the Council's MOT service at Princerock as the facility was underutilised;
- (k) the Council was talking to licensing officers as to whether the MOT taxi licensing arrangements could be provided by the Council other than several different providers;
- (l) the Council was in talks with other authorities to discuss the feasibility of extending the offer of some workshop space for their use;

- (m) the Council's fleet vehicles which were previously parked in the Civic Centre car park had been moved to the top floor of the Theatre Royal car park as their usage could be monitored by the automatic number plate recognition system and pay and display spaces in the Civic Centre could be freed up for paying customers;
- (n) the current IT fleet management system was outdated and needed replacing; the new system would contain profiling information linked to the vehicles as well as service requirements and the efficiency of vehicles;
- (o) there were several acronyms contained within the report; officers would aim to provide a glossary for future reports/ business cases;
- (p) the new IT fleet management system would be able to track vehicles' location and efficiency;
- (q) a full time resource would be dedicated to servicing MOTs; MOTs would be costed at approximately £35;
- (r) the Council's own workforce would install the vehicle trackers; this was considered to be cheaper than having them fitted by an external company and would allow members of staff to be a centre of excellence for tracker installation.

Members noted the Category Management Fleet Services project Business Case and reserved the right for including recommendations until minute 11.

10. **STRATEGIC BUSINESS CASE FOR COMMERCIALISATION - TO FOLLOW**

Simon Dale, Lee Pundsack and Councillor Vincent provided Members with a brief overview of the Strategic Business Case for Commercialisation.

Members were informed that –

- (a) the report presented the proposed scope of what would be considered for commercialisation and did not provide a specific breakdown as to how and where the net additional income target of £3.744m in 2016/17 would be achieved as this would be developed from the detailed work as part of the project;
- (b) the project aimed to increase financial benefit by £6.666 in total over the three year period;
- (c) the project would mainly focus around improved income generation from all income streams, better marketing and sales, generation of additional income from new commercial initiatives and providing a framework for future income generation;

- (d) option 3, to implement a coordinated commercialisation project, was the preferred option.

In response to questions raised it was reported that –

- (e) smaller Councils were considered to be better at commercialisation than larger Councils;
- (f) officers were aware of the importance of advertising and would ensure that any adverts linked to the Council would be ethical and reasonable and not bring the Council into disrepute;
- (g) the Council's catering services were currently very piecemeal and needed rationalisation;
- (h) there were several opportunities within the project for the Council to broaden its offer to residents and businesses within the city; Officers were working with colleagues in Economic Development and the Chamber of Commerce to ensure that the Council didn't pose a threat to smaller Independent businesses;
- (i) the 'bundling of services' would be encouraged so that customers could benefit from a variety of services provided by the Council;
- (j) officers would look into the services available at libraries, specifically the commons licence related to electronic subscriptions.

Members noted the Category Management Fleet Services project Business Case and reserved the right for including recommendations until minute 11.

11. **THE BRILLIANT CO-OPERATIVE STRATEGIC STREET SERVICE BUSINESS CASE - TO FOLLOW**

Simon Dale, Councillor Vincent and Tom Cox (Project Manager – Transformation) provided Members with a brief update on the Brilliant Cooperatives Strategic Street Service Business Case.

Members were informed that –

- (a) the Street Services department was created through the amalgamation of the Council's Transport & Infrastructure and Environmental Services Divisions in 2013;
- (b) the introduction of cooperative principles requires that services work in different ways, moving from an officer led approach to a model that promotes co-design and co-production;

- (c) the project proposes three work-streams including a management restructure, a review of service provision and a development of service provision optimising opportunities to work with partners to provide some services in a different way;
- (d) benefits to be realised from the project included a more performance focused management structure, better performance and intelligence management systems, closer engagement with community and partners.

In response to questions raised it was reported that –

- (e) the senior management restructure would realise savings;
- (f) changes were required to ensure that a brilliant service was provided to the Council's customers; employees and Unions would be consulted throughout the process;
- (g) it was expected that £50k was required as a provisional cost to help move forward the street services project; workloads needed to be prioritised and costed to realise what additional resources were required.

Members agreed to commend the recommendations as stated within the business case to Cabinet subject to the following additional changes:

- 1 benefits realisation of all projects within the GAME programme should be considered at future scrutiny panel meetings (to be decided by the Co-operative Scrutiny Board)
- 2 reconsider the delegation of decisions to officers for consideration at cabinet, in particular the commercialisation strategy and the alternative service delivery for street services in the interests of openness and transparency;
- 3 the commercialisation strategy and any future alternative service delivery models for street services should be considered at a scrutiny panel to be decided by the cooperative scrutiny board.

12. **EXEMPT BUSINESS**

There were no items of exempt business.