



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

13th FEBRUARY 2020

ITU COLLABORATION

REPORT OF THE DIRECTOR OF PROSPERITY, DEVELOPMENT AND FRONTLINE SERVICES IN DISCUSSIONS WITH THE RELEVANT PORTFOLIO HOLDER (COUNCILLOR CRIMMINGS)

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1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to seek Cabinet approval for the Integrated Transport Units of both Caerphilly and Rhondda Cynon Taf County Borough Councils to work collaboratively to create a centre of excellence for the delivery of passenger transport services across both local authorities.

2. RECOMMENDATIONS

- 2.1 It is recommended that Council officers work with Caerphilly County Borough Council to explore the creation of a centre of excellence for the delivery of passenger transport services across Caerphilly and Rhondda Cynon Taf.
- 2.2 It is recommended that a further report be brought back to Cabinet on the outcome of that review for their formal consideration at a future date.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The Council is continually reviewing and adapting services in light of reducing funds from the Government. Collaboration with neighbouring local authorities helps to improve the resilience of service delivery, ensuring that our residents continue to receive the best services.
- 3.2 Ensuring that the two councils are joined up will help to deliver the most efficient cost effective passenger transport service to residents and users. A joint management structure will identify and embed best practice, establish common processes and share of resources to create

a single passenger transport centre of excellence, providing services across both councils.

- 3.3 With proposals for local government reorganisation being costly and disruptive, the current preference is toward the collaboration of service provision and back office functions between existing local authorities. The creation of the Cardiff Capital Region is a step toward the creation of regional Joint Transport Authorities. Developing a centre of passenger transport excellence, based around two of its strongest councils, offers a foundation on which to expand and provide services on a wider regional footprint for and on behalf of other councils.

4. BACKGROUND

- 4.1 The Welsh Government wants strong and empowered local government which can provide bold, determined and focused local leadership. The vision is for empowered local authorities that have the freedom, powers and values that drive them to look to the future, learning from the past but not stuck in it. Success will be measured by how much is being done better and the positive difference this makes to people's lives.
- 4.2 Their vision for local government is one that builds on its current strengths, reinvigorating not reinventing. It looks to those councils with the strength and scope to be bold and ambitious to work in the best interests of the communities they serve to work with other like-minded councils and make a difference, using public money more effectively.
- 4.3 The recent Welsh Government White Paper; Improving Public Transport, makes a case for regional working via Joint Transport Authorities. Whilst it is understood that this is not being taken forward as part of the drafting for the Bus (Wales) Bill, the Local Government and Elections (Wales) Bill 2019 makes provision for corporate joint committees to be established to support regional working and collaboration in areas such as transport.
- 4.4 In this period of ongoing austerity, the challenge requires a long term approach that transforms service delivery. Joint working helps to maximise opportunities and simplifies the complexities of repetition, reducing administrative burden, building on strengths and providing resilience.
- 4.5 In parallel, there are growing pressures on staff resources, particularly at the managerial level, where on a Wales-wide basis the pool of talent continues to diminish through retirement and increased competition for such managers from fellow councils, Transport for Wales and transport consultancies. Both councils have been affected by such pressures.
- 4.6 With this in mind, Caerphilly and Rhondda Cynon Taf Council officers have been discussing the potential for the creation of a joint Integrated

Transport Unit (ITU). Both councils already have well-run and adequately resourced ITUs providing services for public bus services, home to school transport and Social Services transport for vulnerable adults and children. The proposal is to underpin the good work that each council undertakes through its respective ITUs, and create resilience and capacity that will ensure business continuity.

- 4.7 This potential pooling of resources, following a review could enable a greater resilience and long-term stability of service delivery, sharing of specialist skills, greater opportunities for personal development, business continuity, career development and the potential to scale up to provide services across a wider geographical footprint.
- 4.8 The current review proposal envisages a virtual team based at the respective offices of the two councils. Consideration will be given to co-location as part of the wider regional agenda in the future.

5. PROPOSAL

- 5.1 It is envisaged the creation of the Centre of Excellence for the delivery of passenger transport services across Rhondda Cynon Taf and Caerphilly would initially operate on the following model.
- 5.2 A joint management structure would be put in place to manage the respective ITUs of each council, and by working together, the two councils would share resources to explore the creation of a centre of excellence for the delivery of passenger transport services across Caerphilly and Rhondda Cynon Taf.
- 5.3 Both councils are acting from a position of strength with well-run and adequately resourced ITUs. Caerphilly's ITU Team Leader and Rhondda Cynon Taf's Transportation Manager would work together under an Memorandum of Understanding (see appendix 1), and form part of a joint management team, which would be supported by Caerphilly's Transportation Engineering Manager and Rhondda Cynon Taf's Service Director – Frontline Services.
- 5.4 A joint board/steering group would be established with Cabinet/Executive member and officer representation from each council covering Audit, Education, Finance, Human Resources, Social Services and Transport requirements to ensure that there is an even allocation of management and administrative resources across both councils, based on their current proportions. Terms of Reference for the joint board/steering group will need to be prepared and agreed.
- 5.5 The joint management team would be responsible for delivering performance reports (as required in the business and delivery plan) to the joint board/steering group, who will provide direction and oversight,

and have the responsibility for reviewing performance and reporting back to their respective councils, supported by the joint management team.

- 5.6 The joint management team through, and working with the joint board/steering group, would be responsible for developing and agreeing a business and delivery plan to transform the service across the two councils into a single combined entity, where staff would work flexibly across council boundaries, using common processes to deliver excellent passenger transport, such as contract terms and conditions, fleet utilisation and procurement strategies, contract monitoring, DBS checks and clearance, eligibility assessment, infrastructure management, performance indicators etc.
- 5.7 At this stage, where harmonising processes and procedures are mutually beneficial, each ITU would remain independent and self-sufficient. Only when a full 12 months of data is available will a full and clear picture be available on how the collaboration is performing against the original business and delivery plan.
- 5.8 For clarity; Policy decisions (such as eligibility criteria for school transport) will remain entirely a matter for the individual constituent councils. The joint transport unit will act as a centre of excellence in managing transport services in accordance with the prevailing policies of the individual councils, or any other councils that may commission the unit.

6. EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 An Equality Impact Assessment Screening Form has been completed and not identified any negative or adverse impact upon the vulnerable groups that rely on the passenger transport services delivered by the two councils. A full Equality Impact Assessment has not therefore been carried out.

7. CONSULTATION/INVOLVEMENT

- 7.1 Cabinet approval is sought to advance discussions with Caerphilly Council in respect of the creation of a centre of excellence as outlined above and the development of a memorandum of understanding to establish and direct a joint management structure, overseen by a joint board/steering group (a draft of which is appended to the report).
- 7.2 There are no immediate planned personnel implications arising from the report. However, if established and working to the satisfaction of both authorities, a review of the future structure of the organisation would be considered. Any proposal(s) arising would be the subject of a future report to Members.

8. FINANCIAL IMPLICATION(S)

- 8.1 There are no direct financial implications arising from this report beyond the existing ITU budgets established by each council, as there would be no cross subsidy between the respective ITUs. Any significant service change initiatives within the parameters of this proposal (e.g. investment in common management information systems) will be subject to further business case justification.
- 8.2 The respective units are responsible for managing significant transport budgets across a range of services and functions and will have a combined gross revenue budget of £35 million.
- 8.3 This breaks down across three main service delivery areas as follows:

LA	RCTCBC	CCBC
Public transport (bus)	£9,033,000	£5,596,000
Home to School	£10,246,000	£7,116,000
Social Services	£1,287,000	£1,500,000
Total	£20,566,000	£14,212,000

9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 The legal implications aligned to this proposal will evolve as discussions develop. These will be fully reported to Members following completion of the review. The proposal supports the underlying aims of the Welsh Government Green Paper Consultation Document “Strengthening Local Government: Delivering for People”, which through the provision for corporate joint committees to be established to support regional working and collaboration in areas such as transport, are being taken forward by the Local Government and Elections (Wales) Bill 2019.

10. LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT.

- 10.1 The delivery of passenger transport services support and promote the Council’s Corporate Plan priorities for People – Promoting independence and positive lives for everyone, Place – Creating neighbourhoods where people are proud to live and Economy – Building a strong economy.
- 10.2 These in turn support the seven well-being goals of the Well-being of Future generations (Wales) Act 2015. This proposal contributes to the Well-being Goals and is consistent with the five ways of working, as defined within the sustainable development principle in the Act.

- 10.3 By looking at an alternative model, working with Caerphilly under a joint management structure will deliver and manage the councils' passenger transport requirements in a more integrated and efficient manner, in a way that makes the best and most sustainable use of our limited and decreasing resources.
- 10.4 Long term resourcing of operation and management solutions of this specialised service provision allows for more effective and predictable resource/ financial commitments going forward. The jointly managed service helps to prevent less sustainable travel options being used thus contributing to the well-being of its communities. It forms part of an overall strategy for the integration of local and regional transport systems where sustainable public transport, contributing to a low carbon future, is the option of choice.
- 10.5 Collaboration with other organisations and local authorities enables a more effective, efficient and inclusive service which delivers greater benefits to the community, increasing their resilience and providing feelings of being safe and involved in the using the network. Users and residents will have a wider range and choice of passenger transport services, with improved access to employment, health facilities, education and training, social, leisure and retail opportunities. Communities will become more cohesive and regenerated, as new homes are built and jobs created, fuelling network growth and use.
- 10.6 Good transport services are of great benefit to residents, businesses and visitors. Improved transport links provide economic growth and more employment opportunities for residents of all ages and abilities, so that they can achieve their aspirations, improving their life chances, and preventing and removing themselves and their families from poverty. Improved service delivery makes services more attractive to use, reducing the need for private transport at peak times, contributing to better air quality and improving the local environment.
- 10.7 Collaboration with other councils involves working together towards shared goals, jointly making decisions, and pooling resources through an integrated approach. This avoids duplication and allows partners to develop complementary approaches that deliver a sustainable and effective network of passenger transport services, which will increase user satisfaction and be of long-term benefit to residents.

11. CONCLUSION

- 11.1 The creation of a joint ITU with Caerphilly with an innovative, responsive and cost effective approach to passenger transport service delivery would meet the objectives of both councils and contribute to reducing their respective carbon footprints.

- 11.2 The pooling of resources under a memorandum of understanding, overseen by a joint board/steering group, will enable a structure to be built that will provide a lean and integrated transportation service, focussed on the delivery of a safe, efficient and legislatively compliant range of passenger transport services to a broad range of clients, that has close working relationships with key partners, clear and effective cost control, and makes best use of the financial and staff resources for their respective councils.
- 11.3 This model, through further collaboration, would have the capacity and capability to be scaled up into a sub-Regional/Regional ITU within 2 years.

Memorandum of Understanding – ITU Passenger Transport Services

Principle Points of Agreement

- CCBC and RCTCBC agree to create a centre of excellence for the delivery of passenger transport services across Caerphilly and Rhondda Cynon Taf.
- There will be a joint management structure to manage the respective Integrated Transport Units (ITUs) of each Council.
- The purpose of the joint management structure is to share management resources across the two ITUs.
- The joint management team will identify and embed best practice, establish common processes and the sharing of resources to create a single passenger transport centre of excellence, providing passenger transport services across both Councils.
- The aim will be to build a structure that through further collaboration has the capacity and capability to be scaled up into a sub-Regional/Regional ITU within 2 years.

Background

- Both Councils are acting from a position of strength with well-run and adequately resourced ITUs.
- The wider direction of travel is towards the creation of regional Joint Transport Authorities (WG White Paper).

Proposal

- The proposal is to underpin the good work that each Council undertakes through its respective ITUs, and to create resilience and capacity to ensure business continuity and to take on additional services beyond the boundaries of Caerphilly and Rhondda Cynon Taf.
- Develop a centre of excellence for the delivery of passenger transport services that is capable of expansion to provide services on a wider regional footprint for and on behalf of other Councils in the Cardiff Capital Region.
- That CCBC's ITU Team Leader and RCTCBC's Transportation Manager work under an MOU as part of a joint management team, supported by CCBC's Transportation Engineering Manager and RCTCBC's Service Director – Frontline Services.

- A joint board/steering group will be established with member and officer representation from each Council covering Audit, Education, Finance, Human Resources, Social Services and Transport requirements to ensure that there is an even allocation of management and administrative resources across both Councils, based on their current proportions. Terms of Reference for the joint board/steering group will need to be prepared and agreed.
- The joint management team will be responsible for delivering performance reports (as required in the business and delivery plan) to the joint board/steering group, who will provide direction and oversight, and have the responsibility for reviewing performance and reporting back to their respective Councils, supported by the joint management team.
- The joint management team through, and working with the joint board/steering group, will be responsible for developing and agreeing a business and delivery plan to transform the service across the two Councils into a single combined entity, where staff would work flexibly across Council boundaries, using common processes to deliver excellent passenger transport, such as contract terms and conditions, fleet utilisation and procurement strategies, contract monitoring, DBS checks and clearance, eligibility assessment, infrastructure management, performance indicators, GDPR, data sharing protocols etc.

Output

- Create a joint/regional ITU that is acknowledged for excellence in innovative, responsive and cost effective passenger transport service delivery that meet the objectives of both Council's and contribute to reducing their respective carbon footprints.
- To provide a lean and integrated transportation service which is focussed on the delivery of a safe, efficient and legislatively compliant range of passenger transport services to a broad range of clients, that has close working relationships with key partners, clear and effective cost control, and makes best use of the financial and staff resources for their respective Councils.

Joint Working, Responsibilities and Delivery

- The joint management team will have responsibility for all passenger transport activities undertaken for and on behalf of each Council, deputising for each other when necessary and appropriate.
- The joint management team will prepare the business and delivery plan that reflects the direction and policies of each Council, identifying performance indicators/management framework to ensure the achievement of the objectives and performance targets as set out therein.

- The joint management team will investigate, identify opportunities, implement and manage the delivery of an innovative, environmentally responsible, high quality, cost effective and fully integrated passenger transport service that meets each Council's needs seamlessly.
- The joint management team will be responsible for the financial and budget management of passenger transport services across each Council.
- The joint management team will provide specialist and technical advice and guidance on legislative and regulatory requirements, ensuring that the legislative requirements, policies and procedures, regulations, regulatory requirements and minimum standards placed upon each Council in the delivery of passenger transport services are complied with and met.
- The joint management team will work closely with the client Directorates within each Council to clearly define respective roles and responsibilities in order to ensure that their requirements are met and services are delivered in a manner that is more customer focused and client led.
- The joint management team will develop policy, financial and operational systems, and liaise with partners, making recommendations to each Council as necessary to deliver better and more integrated services.
- The joint management team will ensure the provision of professional supervision and appraisal to members of the combined ITU in order to achieve the service aims and objectives of both Councils and ensure their continuous professional development and improvement.
- The joint management team will communicate effectively in a customer focussed manner with Councillors, Assembly Members and MPs, members of the public, customers, services users, Council departments, and professionals from other agencies, providing briefing and support for senior management and elected members from each Council, and ensuring that complaints, queries and requests are responded to in accordance with the policies and direction of each Council.
- The joint management team will act as client in the development, delivery and financial oversight of passenger transport capital projects on behalf of the Councils
- The joint management team will identify other collaborative opportunities with Councils across the Cardiff Capital Region to develop opportunities for greater integration in the delivery of a consistent, more efficient and effective service.
- The joint management team will participate in effective partnership working and engagement with Welsh Government, Transport for Wales, transport

providers, other local authorities and voluntary organisations, contributing to and working on all aspects of regional and Wales wide passenger transport on behalf of both Councils.

Summary of the Draft Business and Delivery Plan

Streamlined DBS (Disclosure and Barring Service) checking process

- Develop a DBS process that will streamline the current procedure for carrying out DBS checks across the two authorities.
- Create a shared workspace that enables both CCBC and RCTCBC to share DBS data.
- Agree a combined Privacy Notice that will allow the transfer of DBS checks between the two authorities, reducing the duplication of checks for those companies that work for both CCBC and RCTCBC.

Indicative timescale for implementation: 3 – 6 months

Adopt common processes

- Carry out a best practice review on current policies and processes, and adopt a common approach between the two authorities that builds upon and uses Welsh Government Guidance as a minimum. This could include education transport, disabled concessionary bus pass entitlement – including companion passes, terms and conditions of passenger transport contracts.

Indicative timescale for implementation: 12 – 24 months

Education transport – Annual September project plan

- Carry out a best practice review on education transport project plans for the return to school each September, and adopt the most effective processes that reduce the large burden on staffing resources during the summer months. This will also reduce the risk of error when applying education transport policy, and allow resources to be focussed on implementing short notice transport requirements e.g. SEN transport.

Indicative timescale for implementation: 12 – 24 months (two academic years)

Increased procurement benefits

- Identify opportunities to expand the joint purchasing agreement for season tickets on local bus services.
- Develop a joint bus stop infrastructure framework.
- Expand the number of transport operators that are available to tender for both authorities.
- Increase the quality of transport operators that provide contracted services to both authorities.

- Review current procurement processes and systems and adopt common functionalities.
- Develop opportunities for cross boundary tendering on contracted and supported services, increasing the potential for greater contractor fleet utilisation.

Indicative timescale for implementation: 6 – 24 months

Bus stop infrastructure and publicity

- Carry out a best practice review on current methods of bus service promotion and provision of public transport information, and adopt the most effective and informative formats.
- Share staff resources to design bus service publicity.
- Adopt a minimum common policy for new bus stops.
- Develop a shared workspace that enables both CCBC and RCTCBC to operate a bus stop infrastructure and publicity database to assist in the maintaining of bus stops/shelters, with shared staff resources being used to maintain the database records. This includes communicating bus stop details with PTI Cymru.

Indicative timescale for implementation: 6 – 24 months

Concessionary bus pass administration

- Share staff resources to administer the concessionary bus pass scheme e.g. operator re-imburement, application processing - including determining entitlement; issuing lost/stolen replacements; identifying and managing fraud etc.

The extent and indicative timescale for this will be dependent on the long term arrangements through TfW.

Bus network management

- Share staff resources to co-ordinate and manage changes to the bus network.
- Review operator service changes and identify alternative provision.
- Implement replacement services following road closures.
- Procure tendered bus services.

Indicative timescale for implementation: 12 – 24 months

Training

- Adopt a common training requirement for contractors through terms and conditions of contracts.
- Identify, procure and arrange joint training sessions/courses.

- Sharing of course costs.
- Increased staff development through joint training opportunities and exposure to new/different ways of working.

Indicative timescale for implementation: 6 – 24 months

IT systems

- Carry out a best practice review on currently used IT systems e.g. route mapping software and information databases; and subject to cost impact, adopt the most beneficial systems that will improve the productivity of both services.

Indicative timescale for implementation: 12 – 24+ months

Greater utilisation of staffing skills and resources, and retention of key staff

- Identify and develop service improvements by utilising staff with specific skills sets to the best effect across both services.
- Utilise staffing resources for greater joint authority benefits, by reducing the duplication of tasks e.g. contract monitoring at schools and centres where both authorities operate contracted education and social services transport, and on local bus service monitoring on routes that operate cross boundary routes.

Indicative timescale for implementation: 6 – 12 months