



Rushcliffe  
Borough Council

## Partnership Delivery Group

3 July 2018

### Review of the Cooperation Agreement for Fleet Maintenance and Garage Service Provision for 2017/18

## Report of the Executive Manager – Neighbourhoods

### 1. Summary

- 1.1. This report will provide Members with an opportunity to review the partnership with Nottingham City Council who maintain both the Council's fleet and vehicles owned by Streetwise Environmental Ltd under a cooperation agreement.
- 1.2. Senior representatives of Nottingham City Council will provide a presentation to Members on performance covering the period 2017/18 across key services and outline future plans and initiatives. Building on a positive performance and a budget saving in 2016/17 of £27,280, expenditure in 2017/18 was higher, due in the main to more vehicle breakdowns with a small overspend of £3,000 against a budget of £284,500.
- 1.3. Members are requested to comment on performance to date and any areas where the partnership could be strengthened to achieve improved outcomes.

### 2. Recommendation

It is RECOMMENDED that Members consider and make comments on the presentation made by Nottingham City Council and endorse the work of the cooperation agreement partnership.

### 3. Reasons for Recommendation

- 3.1. In January 2014, Cabinet approved an innovative cooperation agreement with Nottingham City Council for the maintenance of its fleet and vehicles owned by Streetwise Environmental Ltd. After a period of transition and mobilisation in early 2014, which included the transfer of Council staff and equipment, the maintenance of the Council's fleet commenced by the City Council at their Eastcroft and Woolsthorpe depot facilities on 1 April 2014.
- 3.2. In addition to continuing a quality maintenance service and ensuring vehicle safety, the objectives of the agreement are as follows:
  - **Financial benefit** – there should be a financial benefit to both councils
  - **Shared savings** – any additional savings should be shared in a fair manner between the councils (nominally on a 50/50 basis)
  - **Fair risk / incentive balance** – risks should be placed with the organisation best able to control them and incentives should be given to each organisation to operate in the best interests of the partnership

- **Simple** – should be as administratively simple to operate as possible, to save unnecessary costs on administration / contract management
- **Transparent** – each side should be clear about how the partnership should work
- **Scalable** – whatever is agreed should be capable of being added to, either via other local councils joining or an expansion of services being shared
- **Quick to implement** – a shared service in operation by 1 April 2014.

3.3. Importantly, the previous maintenance arrangements delivered by the ‘in-house’ garage staff were detailed in an operational ‘specification’ which is designed to ensure clear and consistent continuity of service by the City Council during the ten year initial period of the agreement. This specification covers the following core activities:

- Undertaking all statutory maintenance
- Compliance to VOSA’s<sup>1</sup> legal requirements
- Documentation management and inspection sheets
- Mobile mechanic facility
- Management of key sub-contractors and suppliers
- Accident repair
- Tachograph installation and calibration.

3.4. During 2017/18 the working relationship between Nottingham City Council and Rushcliffe has continued to mature, although it is important to note that performance in the last year has been hampered by some upheaval in staffing levels and resources at the City Council that has led to some performance issues overall. Work is also on-going to clarify and resolve some historical work and associated invoicing with Streetwise Environmental Ltd.

3.5. In particular, there have been some issues over first time MOT failures, which are now being addressed and closely monitored as part of our contract management processes. Overall performance is measured against some key performance indicators that are monitored both monthly and at quarterly strategic meetings.

3.6. In addition to promoting and developing a strong partnership approach between both councils, there is also the opportunity to continue to explore a wider shared fleet maintenance service with other neighbouring councils.

#### 4. **Supporting Evidence**

4.1. Nottingham City Council will provide Members with a presentation covering the following areas:

- Scope of services delivered
- Performance in key areas against performance indicators and plans for improvement
- Summary of learning and issues from 2017/18
- Areas for future development.

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<sup>1</sup> VOSA = Vehicle Operators Services Agency

- 4.2. In addition to their presentation to Members, the City Council will take questions on the above areas and any other matters as requested.

## 5. Risk and Uncertainties

- 5.1. Although this is a cooperation agreement rather than a traditional contract, the Council has developed and implemented robust 'client/contractor' style monitoring arrangements as part of the Contract Management Hub in Neighbourhoods last year. This ensures the delivery of the service to the Council's specification and is enhanced by close partnership working with the City Council to ensure that the relationship continues to grow in strength.
- 5.2. The financial success of the partnership is strongly linked to the incidence of vehicle repairs which is a variable risk factor that is mitigated through a cyclical vehicle replacement programme, delivery of a quality maintenance programme and robust driver training.

## 6. Implications

### 6.1. Finance

There are no direct financial implications to this report, however, it should be noted that the 2017/18 budget for Fleet Maintenance was £284,500. The outturn financial performance for 2017/18 was £287,364. The transfer of the Fleet Maintenance function to Nottingham City Council has also enabled the letting of the Garage facilities to Nottinghamshire County Council generating income of £75,000 per annum (net £43,000).

### 6.2. Legal

None.

### 6.3. Corporate Priorities

**Maintaining and enhancing our resident's quality of life** – ensuring that the Council's vehicles are maintained to a high standard and available for work is fundamental to the Council and Streetwise Environmental Ltd delivering services which protect public health and maintain an attractive and clean environment, all of which has a significant positive impact on our residents' quality of life.

**Transforming the Council to enable the delivery of efficient high quality services** – the transformation of fleet maintenance is a key example of how the Council has transformed a number of services as part of delivering its Transformation Plan.

### 6.4. Other Implications

None

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<b>Background papers Available for Inspection:</b>	None
<b>List of appendices (if any):</b>	None