



CABINET – 11TH MARCH 2020

SUBJECT: INTEGRATED TRANSPORT UNIT COLLABORATION

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

- 1.1 The attached report outlined the proposal for the Integrated Transport Units (ITUs) 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. This report was considered by the Environment and Sustainability Scrutiny Committee on 11th February 2020.
- 1.2 Members were advised that ITUs provide services for public bus services, home to school transport and Social Services transport. Also, whilst harmonising processes and procedures where mutually beneficial, under the proposal each ITU would remain independent and self-sufficient.
- 1.3 During the course of the ensuing debate one Member raised the issue of Trade Union involvement, and asked if their views had been taken into consideration. Officers advised Committee that the relevant Trade Unions had been fully consulted as part of the Consultation Process, which included ITU staff, and their support for the proposal had been secured. It was highlighted that no redundancies are currently anticipated as a result of the collaboration proposal.
- 1.4 Discussion took place on the possibility of extending the collaborative approach with other local authorities to future work practices. Officers explained that this could be an option as the Council considered different ways of working, but ensuring necessary skillsets were in place would have to be a priority beforehand. One Member queried an assertion in the Financial Implications section of the report which highlighted that there are no direct financial implications arising from the report beyond the existing ITU budgets established by each council. The Member asked why no cost savings were identified as a result of amalgamating transport teams. Officers explained that savings would be made in the future after aligning services and ensuring that contracts are fully integrated. The Scrutiny Committee were advised that currently each ITU has contracts with different suppliers for services such as IT. Members were advised that collaboration would ultimately produce savings, but only after alignment was fully established.
- 1.5 The Scrutiny Committee sought clarification on the autonomy of the ITUs and one Member was keen to establish the impact on future applications for public transport funding. Officers gave assurances about the independence of each ITU and advised that grant applications in the future would still be submitted as unitary authorities.
- 1.6 Following consideration and discussion the Environment and Sustainability Scrutiny Committee unanimously recommended that:
 - (i) Cabinet is asked to approve the Council working with Rhondda Cynon Taf County

Borough Council to create a centre of excellence for the delivery of passenger transport services across Caerphilly and RCT.

- (ii) Delegated authority be sought from Cabinet for the approval and amendment of the business and delivery plan to the joint management team, and for the preparation and agreement of Terms of Reference for the joint board/ steering group in consultation with the respective Cabinet/ Executive Members.

1.7 Cabinet are asked to consider the report and the above recommendations.

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Appendices:
Appendix Report to Environment and Sustainability Scrutiny Committee Report 11th February 2020 – Agenda Item 9



ENVIRONMENT AND SUSTAINABILITY SCRUTINY COMMITTEE – 11TH FEBRUARY 2020

SUBJECT: INTEGRATED TRANSPORT UNIT COLLABORATION

REPORT BY: INTERIM CORPORATE DIRECTOR – COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to seek Members views on the proposal 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, prior to presenting recommendations to Cabinet.

2. SUMMARY

- 2.1 Caerphilly and Rhondda Cynon Taf Councils 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.
- 2.2 The proposal is for a joint management structure to be put in place to manage the respective ITUs of each council, and through this collaboration the two councils would share resources to create a centre of excellence for the delivery of passenger transport services across Caerphilly and Rhondda Cynon Taf.

3. RECOMMENDATIONS

- 3.1 Members are asked to consider the contents of this report and endorse the following recommendations that:
1. Cabinet is asked to approve the Council works with Rhondda Cynon Taf County Borough Council to create a centre of excellence for the delivery of passenger transport services across Caerphilly and Rhondda Cynon Taf.
 2. Delegated authority is sought from Cabinet for the approval and amendment of the business and delivery plan to the joint management team, and for the preparation and agreement of Terms of Reference for the joint board/steering group in consultation with the respective Cabinet/Executive Members.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 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.

- 4.2 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.
- 4.3 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.

5. THE REPORT

5.1 Background

- 5.1.1 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.
- 5.1.2 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.
- 5.1.3 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.
- 5.1.4 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.
- 5.1.5 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.
- 5.1.6 With this in mind, Caerphilly and Rhondda Cynon Taf Councils 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.
- 5.1.7 This pooling of resources will enable 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.

5.1.8 The current 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.

5.2 Proposal

5.2.1 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 create a centre of excellence for the delivery of passenger transport services across Caerphilly and Rhondda Cynon Taf.

5.2.2 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 a 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.

5.2.3 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.

5.2.4 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.

5.2.5 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. At this stage, whilst harmonising processes and procedures where mutually beneficial, each ITU would remain independent and self-sufficient.

5.2.6 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 council that may commission the unit.

5.3 Conclusion

5.3.1 The creation of a joint ITU with Rhondda Cynon Taf 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.

5.3.2 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, which is focused 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.

5.3.3 This model, through further collaboration, would have the capacity and capability to be scaled up into a sub-Regional/Regional ITU within 2 years.

6. ASSUMPTIONS

6.1 No assumptions have been made in the preparation of this report. 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.

7. LINKS TO RELEVANT COUNCIL POLICIES

7.1 The following Council policies are relevant to the decision being requested.

7.2 Corporate Plan 2018-2023

7.2.1 This ITU service contributes towards the following Corporate Well-being Objectives:

Objective 4 - Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment.

Infrastructure Division Objective: To work towards a safer environment through positive measures to reduce road accidents and particularly by protecting and providing for vulnerable road users.

8. WELL-BEING OF FUTURE GENERATIONS

8.1 This service contributes to the following Well-being Goals:-

- A prosperous Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A globally responsible Wales

8.2 This proposal contributes to the Well-being Goals as set out in Links to Strategy above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act in that:

- 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 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.
- Collaboration with other organisations and local authorities enables a more effective and efficient service delivery.

9. EQUALITIES IMPLICATIONS

- 9.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified therefore a full EIA has not been carried out.

10. FINANCIAL IMPLICATIONS

- 10.1 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 and future reports to members where needed.
- 10.2 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.
- 10.3 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

11. PERSONNEL IMPLICATIONS

- 11.1 There are no immediate planned personnel implications arising from the report. However, once established and working to the satisfaction of both authorities, a review of the future structure of the organisation will be considered along with any implications for support service providers such as Audit, IT, Procurement, HR etc. Any proposals arising would be the subject of a future report to Members.

12. CONSULTATIONS

- 12.1 All responses from consultations have been incorporated in the report.

13. STATUTORY POWER

- 13.1 The following enabling statutory powers apply to the ITU service.

- Transport Act 1985
- Transport Act 2000
- Transport (Wales) Act 2006
- Learner Travel (Wales) Measure 2008

- 13.2 There is no statutory basis to merge resources in this manner. However, it 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.

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Consultees: Cllr. D.T. Davies – Chair of Environment & Sustainability Scrutiny Committee
Cllr. A. Hussey - Vice Chair of Environment & Sustainability Scrutiny Committee
Cllr. Philippa Marsden – Leader of the Council
Cllr. Sean Morgan – Deputy Leader and Cabinet Member for Regeneration, Transportation & Sustainability
Cllr B Jones – Deputy Leader and Cabinet Member for Education and Achievement
Cllr. Carl Cuss – Cabinet Member for Social Care and Wellbeing
Christina Harrhy – Interim Chief Executive
Mark S Williams – Interim Corporate Director of Communities
Jo Williams – Assistant Director (Adult Services)
Gareth Jenkins – Assistant Director (Children’s Services)
Marcus Lloyd – Head of Infrastructure
Sue Richards – Head of Education Planning & Strategy
Robert Tranter – Head of Legal Services and Monitoring Officer
Liz Lucas – Head of Customer and Digital Services
Stephen Harris – Interim Head of Business Improvement Services & Acting S.151 Officer
Lynne Donovan – Head of People Services
Geraint Roberts – ITU Team Leader
Mike Eedy – Finance Manager
Shaun Watkins – Principal Personnel Officer
Kathryn Peters - Corporate Policy Manager
Anwen Cullinane – Senior Policy Officer – Equalities and Welsh Language

Background Papers:
None

Appendices:
Appendix 1 – Memorandum of Understanding – ITU Passenger Transport Services
Appendix 2 – Summary of a Draft Business and Delivery Plan

Appendix 1 – 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.

Appendix 2 – 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 reimbursement, 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