

<b>Meeting of:</b>	<b>CABINET</b>
<b>Date of Meeting:</b>	<b>11 MARCH 2025</b>
<b>Report Title:</b>	<b>JOINT VEHICLE MAINTENANCE (JVM) SERVICE WITH SOUTH WALES POLICE</b>
<b>Report Owner / Corporate Director:</b>	<b>CORPORATE DIRECTOR - COMMUNITIES</b>
<b>Responsible Officer:</b>	<b>KEVIN MULCAHY GROUP MANAGER HIGHWAYS AND GREEN SPACES</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no effect upon policy framework or procedure rules</b>
<b>Executive Summary:</b>	<p><b>The current initial term arrangement with South Wales Police for joint fleet management and maintenance is due to expire in March 2025. There are emerging challenges with changes in technology, staffing and budget management which require assessment before deciding upon the future of this joint arrangement.</b></p> <p><b>Accordingly, this report seeks a one year extension of the arrangement to develop these issues into proposals for the future of fleet management and maintenance for Bridgend County Borough Council.</b></p>

## **1. Purpose of Report**

- 1.1 To provide an update to Cabinet in respect of the collaboration between Bridgend County Borough Council (BCBC) and South Wales Police (SWP) in providing a joint fleet maintenance service and seek agreement for an extension of the initial term of the collaboration arrangement.

## **2. Background**

- 2.1 In 2013 both Bridgend County Borough Council (BCBC) and South Wales Police (SWP) were operating fleet maintenance operations from facilities that were beyond their economic life, requiring significant capital investment to bring them up to a standard that supports efficient and modern fleet maintenance operations.
- 2.2 Both organisations considered that bringing operations under one roof could provide benefits for the respective organisations, and this culminated in 2015 with BCBC and SWP committing to an arrangement to amalgamate their fleet maintenance operations at a shared location at Newlands Avenue, Bridgend (Ty Thomas). This

approach provided a number of financial and non-financial benefits for each organisation:

- Reducing the aggregate cost of fleet maintenance
- Improving fleet maintenance facilities and equipment
- Improving customer service and transparency of the value for money offered by the fleet management and fleet maintenance service
- Improving opportunities for staff development and a greatly improved working environment
- Meeting the Welsh Government (WG) agenda for shared services

2.3 During the time the facility has been in operation the approach has provided benefits in more robust management arrangements, a fit for purpose repair and maintenance facility and management and discharge of the council's Operator license responsibilities.

2.4 However, the financial model operated by BCBC, which is predicated on a break-even basis, has proven flawed with consistent financial periods reporting substantial under recovery of costs. This is in part due to the inability to recruit and retain heavy goods vehicle technicians as well as use of a recharge rate that does not cover the full operational cost of the service in practice.

2.5 Recruitment of heavy goods vehicle technicians has proven problematic due to the differential in public sector remuneration against private sector pay rates for skilled technicians as well as long term sickness. Whilst a market supplement has been considered and introduced it has not resulted in the ability of BCBC to fill vacancies, and this has led to a reliance on agency staff if available.

### **3. Current situation / proposal**

3.1 The partnership arrangement set an initial fixed term of 10 years up to March 2025 which, subject to agreement by both members can be extended for further terms.

3.2 Consideration by officers is that the provision still provides excellent resilience for the authority in discharging its duties as an operator license holder, and the arrangement benefits the organisation through the relationships and combined purchasing power of both organisations for the fleet procurement programme.

3.3 As described above the fleet service is not just a repair workshop but also deals with legislative matters arising from the Council operating fleet vehicles with the requirement for an Operators' Licence Holder as well as discharging function such as issuing exemption permits for schools and social care operating minibuses, as well as specifying and procurement of vehicles for hire, lease or purchase.

3.4 In terms of the range of plant and equipment maintained by the workshop this includes road sweepers, minibuses, HGV's, gritters, gulley machines, tippers, crew cabs, elevated working platforms, tractors, excavators, tracked vehicles, mowers, transits, small vans, cars, mini-buses and a range plant and equipment.

- 3.5 Workshop provision covers breakdown and recovery for fleet vehicles, vehicle testing and safety inspections, MOTs for private vehicles and Taxi licencing requirements. The taxi inspection regime is currently under review by the licensing section and may result in changes to how this function is delivered in the future. Also of note is the return of urban and rural grass cutting to an in-house provision and the planned waste management insourcing which will need to be accounted for within the councils Operator licence management.
- 3.6 As the expiry of the first 10-year term is reached the council is faced with a number of risks as both facilities for maintenance and management are provided by SWP via the arrangement. The risk in not reaching agreement for a future term is that arrangements for fleet management would need to be put in place by the Council to discharge the regulatory responsibilities, recruitment of suitable managers and staff to oversee the process as well as seeking alternative premises or providing an alternative delivery model to meet the needs of the organisation.
- 3.7 Officers of the council including the Corporate Director of Communities have met with senior police representatives in January 2025 at a Joint Vehicle Maintenance (JVM) board to discuss the way forward with partnership arrangements.
- 3.8 It was clear to the board that whilst the existing arrangements work well for both parties, changes in future requirements with regard to maintenance were on the horizon. For both parties changes to vehicle types and specifically the transition to electric powered vehicles would have the potential to change the maintenance space requirements going forward, as would the planned introduction of an in-house waste service for the council with all of the associated maintenance requirements.
- 3.9 Both parties agreed that whilst the existing arrangements are mutually beneficial and would continue to be so for at least another year, a review would be needed to determine future needs for both partners and a view taken on the best approach going forward.
- 3.10 In seeking to enter further fixed terms the authority will need to understand the implications of the arrangement of both financial and service delivery models. To allow the opportunity to explore these implications it is proposed to extend arrangements for an initial one year term so that these factors can be considered and negotiated before extending any further.
- 3.11 During this period, officers will review the existing arrangement taking into account any changing circumstances such as the insourcing of the waste management fleet, fleet utilisation, financial remuneration, service provision as well as impacts of decarbonisation of the council's fleet.
- 3.12 With regard to the review of fleet provision, officers are also proposing to review the ongoing provision of fleet in terms of ongoing effective and efficient use of fleet. The budgets for fleet purchase replacement and maintenance are held within service departments throughout the authority. Fleet services provide maintenance, support and advice only.

- 3.12 A review of the structure of fleet management arrangements, as well as review of fleet maintenance arrangements mentioned in 3.11, will be undertaken during the extension year. This review will be subject to a future separate report.
- 3.13 It is recognised that whilst taxi testing is currently mandated to be undertaken at the Ty Thomas facility, police partners were clear at the JVM board that, should the Council via the licencing committee decide to implement alternative arrangements, they would support either the ongoing testing at Ty Thomas or be content with this work being undertaken at suitable alternative facilities during the extended term. Any decision in this regard would also form part of the review for ongoing future service provision.

#### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty, and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services, and functions. This is an information report; therefore, it is not necessary to carry out an Equality Impact assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

#### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

- 5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

#### **6. Climate Change Implications**

- 6.1 There are no climate change implications in relation to this report.

#### **7. Safeguarding and Corporate Parent Implications**

- 7.1 There are no safeguarding and corporate parent implications arising from this report.

#### **8. Financial Implications**

- 8.1 During the proposed one-year extension term arrangements would remain aligned to current terms. However, during this extension period there may be a need for a review of the recharge arrangement between SWP and BCBC, which has remained static under the original agreement, whereas actual costs e.g. energy costs have been subject to inflationary increases. Finance officers would be involved in these discussions as well as financial matters arising during discussions for any subsequent term.

- 8.2 Financial matters to be discussed include the rental agreement that has been fixed during the initial 10 year period , also agreement of apportionment of managerial and administration costs as well as utilities that have been divided 50/50 for the portion of occupied accommodation and workshops as well as estate costs. Costs have been set out on an open book accounting basis to provide the required level of transparency in accordance with local government practice.
- 8.3 Whilst the process of payments between SWP and BCBC is to be confirmed there is still the financial model operated by BCBC to be reviewed, which is predicated on a break-even basis, but which has failed to achieve a break even position for a number of years. This is reflected in a significant deficit/under recovery to cover all the operational costs and overheads, as outlined in quarterly revenue budget monitoring reports to Cabinet.
- 8.4 Recruitment of heavy goods vehicle technicians has proven problematic due to the differential in public sector remuneration against private sector pay rates for skilled technicians as well as long term sickness. Whilst a market supplement has been considered and introduced it has not resulted in the ability of BCBC to fill vacancies with a reliance on agency staff if available.
- 8.5 In addressing the issues identified in 8.3 and 8.4, a review of the structure of fleet management and fleet maintenance arrangements mentioned in 3.11, will be undertaken during the extension year. This review will be subject to a future separate report.

## **9. Recommendation**

- 9.1 That Cabinet agree to
- i) Extend for a further 1 year term the arrangement with South Wales Police for the Joint Vehicle Maintenance service, to enable detailed dialogue and agreement for any future fixed terms to be agreed.
  - ii) Provide delegated power to the Corporate Director - Communities in consultation with the Chief Officer - Finance, Housing & Change and Chief Officer - Legal & Regulatory Services, HR & Corporate or additions to the terms and conditions of the arrangement and duration of period of future fixed terms.
  - iii) To receive a further report following the outcome of the discussions.

## **Background documents**

None