



INFRASTRUCTURE AND GOVERNMENT

VFM programme – Vehicle repairs and maintenance follow-up

Oxford City Council

9 March 2009

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Report

Background

The Motor Transport service procures and maintains the Council fleet of vehicles and equipment and had expenditure of the order of £2.5 million per annum at the time of the review. The service has major customers within City Works such as Cleansing Services, customers in other parts of the City Council particularly Oxford Building Services and the Parks Service as well as external customers such as taxi drivers.

KPMG was asked to consider a range of issues, including: issues relating to condition and location of the workshop, the arrangements for routine maintenance, any compliance issues, service delivery arrangements, the use of spot and long-term hire, the costs of the service and the mechanism for establishing recharges to user departments and external customers, patterns of demand and any options for generating outside work to smooth peaks and troughs and the views of service users.

Our report was considered by the Scrutiny Committee on 28 June 2007.

The key findings of our work were that, in our view, the service, was professionally run and provided a relatively high quality of service with assurance regarding compliance and safety issues. Overall the service provided reasonable value for money, but in order to improve should develop a more sophisticated approach to performance management and cost benchmarking as well as a more systematic approach to marketing and customer communication.

Key issues raised in the report

In detail our recommendations included:

- developing a more sophisticated set of measures with which to manage the service on a day-to-day basis
- undertaking robust and regular benchmarking of charges with other transport service providers in both the public and private sector
- developing its data recording capacity in order to bring more coherence to charging and the monitoring of defects/driver abuse.
- being more systematic in the approach to marketing ie building specific service packages around the requirements of users and in the collection and analysis of qualitative and quantitative feedback from customers
- developing clearer service level agreements with major customers
- continuing to move towards standard prices for standard vehicle types rather than working on historic cost for each purchase.
- transferring the risks associated with damage, driver abuse and loss through theft from Transport Services to the customer department
- continuing to investing in new equipment in order to maintain the capability of the workshop.
- abandoning the practice of end of year recharges that customers are in no position to control or take responsibility for.

What actions did the Council take following the report?

- The service is developing the performance management system by first time data entry on to the time recording system and using the new release on Fleetplan.
- Benchmarking is being undertaken through APSE and the new Public Transport Network, although it is too early for information to have come through
- The new version of Fleetplan is being used to improve data recording capacity e.g. recording and analysing faults from inspection and there is a much more robust regime in tracking equipment to ensure there are fewer losses
- There is a more proactive approach to marketing the service internally and building provision around customer requirements, although more needs to be done to make the collection of feedback from customers systematic. There has also been active external marketing to appropriate customers such as the Red Cross and St Johns.
- The service has introduced standard prices for standard vehicle types
- At the time of our visit the service had transferred the risks associated with damage and driver abuse on a trial basis with Oxford Homes
- There has been investment in a new wash ramp and are hoping to introduce an automatic testing lane which will enable shorter tests to be undertaken
- There will be no unexpected recharges to customers at year end this year
- The reintroduction of imprest stock.

Where is the service now?

The performance of the service is illustrated by:

- the fact that it has worked within budget for the year and is on target to achieve the savings figure it was set
- there has been a reported increase in customer satisfaction, particularly from Oxford City Homes and Parks, via user group meetings
- there has been a reduction in the number of services required for OCH vehicles, although this needs to be extended
- down time has reduced.

However, the service needs to further refine the information it uses to ensure robust performance data. More detailed comparative information will be available when the APSE report is published in the next few months.

Overall conclusion

We are pleased to report that the Council has responded positively to our observations and recommendations and that this has led to a clear improvement in service.

There is still work to do in:

- Ensuring that there is a good range of benchmark cost and price information
- Developing monthly reports for key customers which give the full range of operational management information they need e.g. in terms of a summary of work completed, the trends in the value of losses incurred, service faults found etc. The Public Transport Network may provide examples which could be adopted.
- Getting more systematic feedback from customers e.g. through a monthly e-mail questionnaire
- Further developing the SLAs
- Extending the transfer of risk beyond Oxford City Homes to other customers.

Acknowledgement

We would like to take this opportunity to thank your staff for their assistance and co-operation during this review.