



## Case Study

### Transport Outsourcing Review for Local Government

# Strategic Transport Review: Local Government

Waste and duplication can result from fragmented transport arrangements that have been left to 'evolve' for too long. Using appropriate modelling tools councils can work out the best solutions to their transport needs and make significant improvements in the service they offer, ensuring the best possible use of scarce resources, while at the same time supporting environmental gains.



'There was some initial resistance to the changes, but the consultancy team were very effective at working in partnership with our staff and making everyone feel they had a voice in the process.'

Director of Transport  
Services  
*Rotherham Metropolitan  
Borough Council*

## The Client

Rotherham Metropolitan Borough Council were under pressure to reduce their transport costs and deliver better value for money over their diverse range of vehicle and service requirements.

## The Challenge

The council needed to learn more about the outsourcing landscape. Their nominated suppliers had been taken on piecemeal - over time - without any benchmark measure of service being identified. There was much duplication of resources to mask service failure and availability. The council wanted to save money, simplify management structures, create greater levels of accountability and also improve service to their customers. At the same time they recognised that they had a complex range of internal and external client requirements, service levels and lead times.

## Our Approach

The Consultancy Company worked together with the council's transport management team and representatives from their client base to extract and analyse cost and service data.

A model was built outlining the council's requirements which then allowed a quantifiable, objective evaluation of a number of different cost and operational scenarios across the wide range of services provided from disabled persons support to refuse collection and roads and lighting maintenance. Our knowledge of best practice, benchmark costs and performance levels was then integrated into the model to produce a prioritised list of viable alternative procurement, outsourcing, maintenance and management strategies.

As a result, it was decided to create a multi-user core transport pool outsourced to a third party along with all the maintenance and MOT inspection functions. Responsibility for replacement and statutory inspection management was also outsourced.



'Modelling helped all stakeholders see needs and viable options clearly. Comparisons to benchmark ensured the integrity of the selection process.'

**Fraser Geekie,**  
Principal Consultant,  
The Consultancy  
Company

### Our Approach ...continued

Drivers, specialist vehicles and vulnerable persons support, along with some key aspects of disaster recovery and roads maintenance remained in-house under a refocused transport management team who were also trained in effectively managing the outsourced contracts. Key outsourced elements previously held in-house were refuse collection, education transport and street cleansing which generated the bulk of the savings.

The Consultancy Company managed the change process including the outsource tendering process, using the model to provide like-for-like comparisons for each tender response

Cost savings and service enhancements were evaluated Our Consultants facilitated a comprehensive cross functional, quantifiable review process ensuring the integrity of the selection procedure, with the best cost/service combination being chosen as preferred bidder.

### Resulting Benefits

- 25% reduction in vehicle procurement and life cycle cost.
- Outsourced maintenance and MOT functions.
- 50% staffing redeployment with upskilling and retraining of retained personnel.
- Ongoing continuous improvement processes established including a series of performance metrics.
- 15% cost reduction in street cleansing budgets
- Replacement vehicle availability guaranteed within four hours.

### Can we help *you* improve *your* performance?

For a no-obligation meeting call:

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