



Establishing a Hub for Highways Services – CORMAC Style

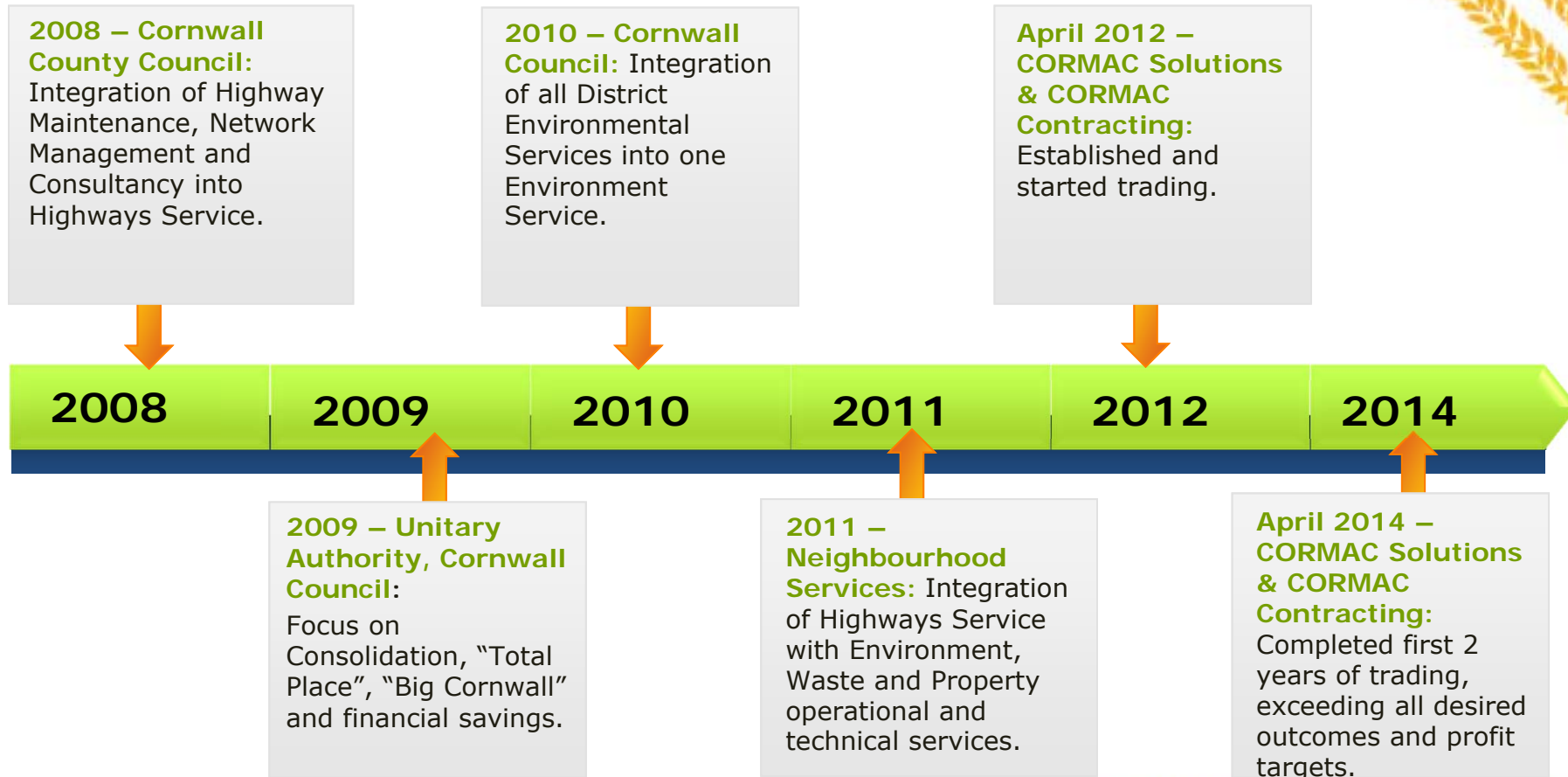
Ben Widdershoven – CORMAC Hub Manager
5th March 2015



www.cormacLtd.co.uk



1.0 Our Journey



www.cormactd.co.uk



CORMACItD



CORMACItD

1.1 Our CORMAC Arms Length Companies

- **CORMAC Solutions Ltd:** Wholly Owned and Controlled Company, operating under the “Teckal” Exemption, providing Services to Cornwall Council via a Contract for Services;

*“The parent authority/ies must exercise over the company a control which is similar to that which it exercises over its own departments”; and
“The company must carry out the ‘essential part’ of its activities with the controlling local authority or authorities”*

- **CORMAC Contracting Ltd:** Trading Company set up under Section 95 of Local Government Act 2003 – trading with third party clients.



www.cormacltd.co.uk



CORMACLtd



CORMACLtd

1.2 Our Drivers For Change

Our number one priority is to deliver services for Cornwall Council and to ensure that those services are aligned to the Council's vision, priorities and business plan

Political drivers – CC wanted to maintain control and after studying other similar Authorities and did not consider outsourcing an option

Facilitates individual and shared services improvement models – more accountability and greater efficiency

Financial pressures and need to transform service delivery but with minimal impact on front-line services;

The need to embed commercial credentials into the way our teams operate ensuring we are more entrepreneurial and risk focussed

A desire to build on a public sector ethos by keeping the new company aligned to the Council service strategy

Financial driver – dividend/ rebate return to Council for reinvestment

Our vision is trusted to deliver sustainable solutions safely

Creating Employment Opportunities/supporting SME's

For Cornwall doing nothing was not an option

www.cormactd.co.uk



1.3 Why Is CORMAC Different?

- Additional work opportunities outside the Council are widely available and this keeps the company focused and commercially challenged
- All profits are returned to the Council in the form of a dividend or rebate which allows the Council to reinvest in other services
- Our competitive advantage is our public service ethos underpinned by commercial credentials
- As a wholly owned company local authority members can easily remain actively engaged

www.cormactd.co.uk



CORMACItD



CORMACItD



1.3 continued

- Limits the liabilities on our local authority
- Strong alignment with vision and priorities of parent local authority
- Not private or public but the best of both worlds



www.cormacLtd.co.uk



CORMACLtd



CORMACLtd

1.4 What We Have Achieved

- In the first two years we have doubled our turnover and returned nearly £12m to our shareholders
- Re-invigorated our staff, increased job opportunities by 17%
- Reduced the management structure by 22%
- Increased our client base significantly
- On target to achieve our return again in 2015, which the council can once again re-invest back into local services.



www.cormactd.co.uk



CORMACItD



CORMACItD

2.0 CORMAC Hub – Basic Principles

- One facility
- Single point of contact
- Improve communications
- Improve the customer experience
- Performance culture
- Invest in multi-skilling
- Joined up functions
- A paperless office
- Increase utilisation of internal resources
- Reduce external spend
- Transparency
- NOT a call centre

www.cormactd.co.uk



CORMACItD



CORMACItD



3.0 CORMAC Hub - Functions

- Logistics
- Facilities Services
- Highways and Environment
- Critical incident management
- Road materials
- Waste management
- Purchase orders
- Vehicle GPS
- Fuel Management
- Stores

www.cormactd.co.uk



CORMACItD



CORMACItD



4.0 CORMAC Hub - Setup

- Open plan office
- Multiple screens
- System based processes
- Multi-skilled staff
- Stores outlets
- Haulage yard
- 21 office staff & 17 drivers
- 79,000 requests per year



www.cormactd.co.uk



CORMACItD



CORMACItD



5.0 CORMAC Hub - Achievements

- Rationalised our spot plant saving £264k
- Increased spot plant utilisation by 57%
- Schedule a variety of haulage vehicles inc. 2 low loaders, 8 road sweepers & 3 HIABs
- Reduced our low loader spend by £85k p/a
- Reduced our sweeper spend by £107k p/a
- Move anything anywhere concept
- Developed robust systems to manage end to end
- Forged key links between functions to react better to incoming orders
- No stone un-turned

www.cormactd.co.uk



CORMACItD



CORMACItD



5.0 continued

- Waste framework, to dispose of waste more cost effectively
- Buying power
- Single point of contact for suppliers
- Single point of contact for customer
- Tenders are followed keeping costs down
- Tightly controlled to stay legal
- Supplier performance is captured
- End to end audit trail from requisition to invoice

www.cormactd.co.uk



CORMACItD



CORMACItD



6.0 CORMAC Hub - Challenges

- Centralising processes
- Network outage
- Moving staff
- Hidden inefficiencies
- No hiding
- Challenging traditional processes

www.cormactd.co.uk



CORMACtd



CORMACtd



7.0 CORMAC Hub – What next?

- Traffic management
- Countryside Access
- Stores review
- Future provision of services to joint venture companies

www.cormactd.co.uk



CORMACtd



CORMACtd



8.0 Our Next Steps

- Collaborative Teckal with other like minded authorities
- Currently in negotiations with another local authority for the purpose of setting up a collaborative Teckal to jointly deliver Highway related services. We intend setting up a joint venture company to deliver in the East Midlands

www.cormactd.co.uk



CORMACItD



CORMACItD





Questions?



www.cormacLtd.co.uk



CORMACLtd



CORMACLtd



Contact us



www.cormacLtd.co.uk

customerrelations@cormacLtd.co.uk

01872 323 313