

# FAREHAM

BOROUGH COUNCIL

## Report to Streetscene Policy Development and Review Panel

**Date**                    **06 March 2014**

**Report of:**            **Director of Street Scene**

**Subject:**              **VEHICLE FLEET MANAGEMENT**

### **SUMMARY**

The purpose of this report is to inform members of the arrangements currently in place to manage the council's operational vehicle fleet.

### **RECOMMENDATION**

That members note the contents of the report

## INTRODUCTION

1. The Council's fleet of 91 vehicles is managed by Streetscene Services, with the Transport Manager directly responsible for the day to day operation, including vehicle servicing, maintenance, Ministry of Transport (M.O.T.) testing and vehicle safety checks.
2. The department is also responsible for delivering the 7 year vehicle replacement programme put in place by the Council's business transformation team and approved by the Chief Executives Management Team (CXMT) in 2008. A detailed list of vehicles by type can be found at appendix (A)
3. The service procures and maintains vehicles for use in the following services:
  - i. Refuse and Recycling
  - ii. Grounds Maintenance
  - iii. Street Cleansing
  - iv. Building Services
  - v. Car Parking Enforcement
  - vi. Corporate Services (Mayoral car)
  - vii. Leisure & Community

## ANNUAL RUNNING COSTS

4. The 2012-13 revenue cost of maintaining the fleet of 91 vehicles and 50 items of plant was £926,422 against a budget of £947,200. The main items of expenditure were:
  - i. Fuel £356,739
  - ii. TRU recharge £322,677
  - iii. Routine repairs £162,956
5. Fuel is the biggest single item of expenditure. A breakdown of usage for the last two financial years is as follows:

April 1<sup>st</sup> 2012 until March 31<sup>st</sup> 2013 (consumption in litres)

Diesel	283,135
Petrol	4,515
Gas Oil	46,172
Total	333,822

April 1<sup>st</sup> 2011 until March 31<sup>st</sup> 2012

Diesel	265,450
Petrol	5,662
Gas Oil	35,314
Total	306,426

6. It is not possible to do a direct annual comparison of fuel usage and vehicle efficiency because service delivery is subject to a wide range of variables such as changes in establishment, changes in rounds (rescheduling to accommodate new development), the impact of the weather on the growing season and frequency of grass cutting and changes in the number and type of vehicles and plant.

### **VEHICLE REPLACEMENT PROGRAMME**

7. The department is five years into a seven year vehicle replacement programme, with capital expenditure averaging £345,000 for each of the seven years. Actual spending can vary from year to year, with budget adjustments made to accommodate particular items such as refuse collection vehicles, which account for the majority of the overall expenditure.
8. In June 2012, the Council's Executive approved an award of tender to Dennis Eagle for the purchase of a further six refuse collection vehicles over the next two financial years, at a total cost of £896,738.
9. Below is a summary of the vehicles purchased during 2012-13. Eleven vehicles in total were purchased during the year, at a total cost of £381,731.  
These included:
  - i. Two refuse collection vehicles
  - ii. Two verge mowers
  - iii. Six Tipper vehicles
  - iv. Mayors Car
10. So far in 2013-14, eight vehicles have been purchased, at a total cost of £684,605.  
These include:
  - i. Four refuse collection vehicles
  - ii. Two verge mowers
  - iii. One precinct sweeper
  - iv. One tipper vehicle
11. The replacement programme is on target at present to deliver vehicles of the required specification and performance within the agreed budget. There will be budget pressures going forward, mainly due to Euro VI emissions regulations that will affect future purchases of RCV's. These are anticipated to add approximately £20,000 to the cost of each vehicle.

### **VEHICLE OPERATORS LICENCE**

12. In order to run the Council's fleet of vehicles, an operating licence is required. The licence is granted by the Vehicle Operating Standards Agency (VOSA). The Council's current licence expires in August 2018. Loss of this licence would mean that the

provision of vehicles to support some of the Council's key services would have to be contracted out, with significant financial and reputational consequences for the Council.

13. There are control measures in place to reduce the risk of this happening:
  - i. A vehicle inspection and maintenance schedules that meets the requirements of VOSA
  - ii. Regular pre – use vehicle safety checks that are recorded, logged and subject to a 10% sample check by management
14. VOSA assesses the records of all fleet operators and places them in an Operators Compliance Risk Score (OCRS) category. The Council is currently in the lowest risk category (green). In 2012-13 the Council's fleet had a first time MOT pass rate of 96%. This significantly exceeds the national average of 70%. The MOT pass rate is a key risk indicator within the OCRS.

### **FUEL SAVING INITIATIVES**

15. There are currently six RCV's that have an electronic hoist fitted. Improvements in fuel consumption vary, depending on where the vehicles are used (urban/rural) however, the fuel saving is approximately 25%.
16. There are two RCV's that have hydraulic hoists fitted with Eco Drive Assistance (EDA) fuel saving devices that have reduced consumption by approximately 9%.
17. There are also six RCV's delivered between 2012-14 that have been fitted with fuel saving devices. These devices have been tested and have delivered fuel savings of between 10 and 20%. Based on a reduction of 10% it will take around three years to recover the cost at current fuel prices.
18. All of the Council's Heavy Goods Vehicle (HGV) drivers are undergoing training to achieve a Certificate of Professional Competence (CPC). There is a legislative requirement for all HGV drivers to have this qualification by September 2014. One of the key areas of the modular training covers driving techniques aimed at reducing fuel consumption. 75% of the drivers will have completed their training by March 2014 the other 25% will be compliant by August 2014.
19. The Council is currently undertaking a tender exercise to procure a Global Positioning tracking (GPS) for installation in the fleet. This project will be complete by April 1<sup>st</sup> 2014. There are a number of benefits to be had from using such systems, including a potential reduction in overall fuel consumption.

### **CARBON DIOXIDE (CO2) EMISSIONS**

20. Based on Department of Transport figures, it is estimate that the Council's vehicle fleet produced the following approximate Co2 quantities:
  - i. 2010-11      812,300 kg (812 metric tonnes)
  - ii. 2011-12      794,600 kg (795 metric tonnes)

21. It is anticipated that the effect of the fuel saving devices that have been installed in the six new RCV's will reduce this figure by a further 28,000 kg (28 metric tonnes) per annum.

### **RISK ASSESSMENT**

22. There are no significant risk considerations in relation to this report.

### **CONCLUSION**

23. Streetscene is currently providing a resilient and reliable operational vehicle fleet to a number of key Council departments. Examples of failure to deliver front line services to customers due to vehicle failure are extremely rare. Revenue and capital costs are being managed within agreed budgets. Appropriate measures are being taken to protect the Council's operating licence and the health and safety of employees.

24. A number of initiatives are being taken to reduce fuel consumption and carbon dioxide emissions. Further steps, such as the introduction of a GPS system, will enable additional progress to be made.

25. There are a number of financial pressures ahead that are linked to changes in legislation, which can be managed.

**Background Papers:** None

**Reference Papers:** None

**Appendix A – Vehicles Provided by Service**

**Enquiries:**

For further information on this report please contact Trevor Beard. (Ext 4836)

## **Appendix (A) - Vehicles provided by service.**

### 1. Refuse and recycling

- 21 RCV's
- 1 lorry
- 3 small vans

### 2. Building Services

- 10 vans

### 3. Grounds Maintenance

- 15 vans
- 3 tractors
- 1 lorry
- 11 ride on mowers

### 4. Street Cleansing

- 2 lorries
- 2 large road sweepers
- 5 precinct sweepers
- 9 transit tipper trucks

### 5. Car Parks / Enforcement

- 4 vans

### 6. Corporate Services

- 1 car

### 7. Leisure

- 2 vans
- 1 small tractor