

FAREHAM

BOROUGH COUNCIL

Report to Streetscene Policy Development and Review Panel

Date **08 January 2015**

Report of: **Director of Environmental Services**

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 92 (Ref Appendix A) 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 2013-14 revenue cost of maintaining the fleet of 92 vehicles and 50 items of plant was £1,029,856. The main items of expenditure were:
 - i. Fuel £350,926
 - ii. TRU Recharge £301,473
 - iii. Routine Repairs £169,449
5. Fuel is the biggest single item of expenditure. A breakdown of usage (in litres) for the last three financial years is as follows:

April 1st 2013 until March 31st 2014

Diesel	282,644
Petrol	3,106
Gas Oil	46,721
Total	332,471

April 1st 2012 until March 31st 2013

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

April 1st 2011 Until March 31st 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 six 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 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.
8. In June 2012, the Council's Executive approved an award of tender to Dennis Eagle for the purchase of a further six RCV's 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. 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 prescient 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 Driving Vehicle Standards Agency (DVSA) formerly 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. Vehicle inspection and maintenance schedules which meet the agreement with DVSA. This is to ensure the vehicles are kept in a fit and serviceable condition.
- ii. Regular pre - use vehicle safety checks that are recorded, logged and subject to a 10% sample check by management.

14. DVSA assesses the records of all fleet operators and places them in an Operators Compliance Risk Score (OCRS) category, using a traffic light system (red would incur a DVSA intervention). The Council is currently in the lowest risk category (green). In 2013-14 the Council's fleet had a first time MOT pass rate of 96%. This significantly exceeds the national average of 77.6%. 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 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 the current fuel prices.

18. All of the Council's Heavy goods Vehicle (HGV) drivers have now achieved 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.

19. The next phase of CPC training is required to start again from September 2014 and Council drivers will commence from January 2015 to achieve the qualification by September 2019.

20. All Council vehicles have had Global Positioning tracking (GPS) units installed. The project was completed by 1 April 2014. There are a number of benefits to be had from using such systems, including a potential reduction in overall fuel consumption.

21. Prior to the fitting of Electric Hoists and fuel saving devices the vehicles were able to achieve between 3.5 to 4mpg. This has now improved to between 4 and 6 mpg depending on rural or urban use.

CARBON DIOXIDE (CO₂) EMISSIONS

22. Based on Department of Transport figures, it is estimated that the Council's vehicle fleet produced the following approximate CO₂ quantities:

i.	2011-12	812,028 kg (812 metric tonnes)
ii.	2012-13	891, 304 kg (891 metric tonnes)
iii.	2013-14	881, 048 kg (881 metric tonnes)

RISK ASSESSMENT

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

CONCLUSION

24. 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.

25. A number of initiatives are being taken to reduce fuel consumption and carbon dioxide emissions. Further steps have been taken with the introduction of a GPS system in the current year, which will enable additional progress to be made.

26. 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

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

8. TRU

- 1 van