

Report of: Head of Catering Services

Report to: Chief Officer Civic Enterprise Leeds

Date: 12 February 2020

Subject: Vehicle Telematics

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|--|---|--|
| Are specific electoral Wards affected? If relevant, name(s) of Ward(s): | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Are there implications for equality and diversity and cohesion and integration? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is the decision eligible for Call-In? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4(3) 10.4(3) applies due to this report containing confidential information regards trial, consumption, business case etc, that could influence the procurement if suppliers had access to the content. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Summary of main issues

1. In December 2017 the Director of Resources and Housing approved the purchase of 295 telematics units to be installed into various different categories of vehicle across the council fleet to test the savings that could be realised through fuel economy through improvements in driver behaviour.
2. Following a procurement exercise undertaken by way of conducting a mini-competition using the YOR 589 Telematics Framework Agreement, Masternaut Limited were successful and a two year contract was awarded for the initial 295 units to be installed with the provision that this technology would be rolled out to the remaining fleet should phase 1 deliver the benefits expected.
3. The telematics equipment was installed into 295 vehicles between March and May 2018. Following a short period to establish a baseline for driver behaviour the units were energised in June 2018 to capture the effect of drivers having in vehicle feedback upon their driving style including warnings with regard to harsh events, speeding and idling which all result in excessive fuel consumption.
4. Analysis of the data regarding savings in fuel demonstrate that there is improvement across most vehicle types, the most dramatic being the van fleet. Agreement with the Unions regarding the use of data from the telematics and feedback to drivers on their driving styles is in place. It is believed that once drivers receive this feedback there will

be further improvements in fuel economy as this will also have a positive impact upon the reduction of harsh events, speeding and idling.

5. During phase 1 further non-quantifiable benefits have also been identified that will result in financial savings as well as those ancillary benefits outlined in the business case for the initial procurement of 295 units.
6. A further report was taken to Environment Programme Board in April 2019 to install the systems into Leeds Building Services (LBS) vehicles (phase 2). Phase 2 was to identify a service area to complete full install of additional units taking the total pilot fleet to 450
7. Phase 2 with increased driver management and supervision will be used to inform an options appraisal, clarify if full fleet roll out would provide the necessary benefits and efficiencies as identified.
8. The current contract comes to an end on 19th February 2020. There is an option to further extend the contract for another 24 months for the period 20th February 2020 to 19th February 2022. Funding has been approved for the additional units required for the phase 2 pilot in LBS.

Best Council Plan Implications

The report highlights the contribution towards the following priorities contained in the Best Council Plan:

- Developing Leeds as a low carbon usage through reduced fuel consumption and, therefore, emissions
- A carbon reduction of 40% by 2020
- Improving the city's Air Quality through reductions in harmful pollution from diesel engines

Recommendations

9. The Chief Officer Civic Enterprise Leeds is asked to:
 - Note the content of this report,
 - Approve the extension of the current contract for the supply of existing telematics and rental to the council through to 19th February 2022,
 - Provide authority the spend up to an additional £118.4k over the period for the continued rental until the anticipated expiry date or before, depending on decisions made at the pilot outcome.

1. Purpose of this report

- 1.1. The purpose of this report is to present a business case for the continued hire of newer, intelligent vehicle telematics systems for the authority's entire fleet.
- 1.2. This exercise would assist the council in delivering against its value of 'Spending Money Wisely'.

2. Background information

- 2.1 The cutting carbon breakthrough project was established in November 2014 and at September 2015's Executive Board, the scope of the breakthrough project was increased to also focus on improving air quality.
- 2.2 To this end the council has set a target to reduce its own carbon emissions by 40% by 2020 from 2008/9 baseline and has introduced the Leeds Air Quality action plan. This document sets out the actions the council intends to take to clean up air in Leeds, and to become compliant with legal standards relating to NO₂ emissions.
- 2.3 Vehicle telematics, can assist in the reduction of vehicle emissions for example through reducing harsh events such as aggressive acceleration which have a detrimental effect on air quality. Using data will also identify areas where a number of harsh events are occurring it may be an indicator of an issue such as an obstacle, or traffic control system which could be changed to help curb these behaviours. This in turn can help lower the amount of emissions being produced by all vehicles in the area not just LCC fleet.

3. Main issues

- 3.1 The benefits of installing telematics across fleets fall into four broad themes, all of which are interlinked: mileage and time management, fuel and emissions, safety and security and financial benefits.
- 3.2 Mileage and time management reflects the ability of telematics systems to provide pinpoint accuracy about vehicle mileage and use. This in turn allows us to ensure vehicles are being used effectively and efficiently, ranging from the speed they are travelling to the type of journeys they make and the routes they use in work.
- 3.3 From a safety and security perspective, by monitoring and managing drivers more effectively, we can proactively tackle the source of potential accidents by offering training to drivers where needed and by ensuring they are not being put under pressure to take risks on the road in order to meet targets. In addition, it is possible to actively protect vehicles against theft and locate them if stolen.
- 3.4 *Mileage and time Management*
- 3.5.1 Telematics can ensure managers know where vehicles are being driven and how they are being used. This may benefit the council in a number of ways;

- Automatic mileage updates can be received by managers to enable proactive servicing and timely replacement of vehicles.
- Systems are able to identify a vehicle's location, so the right vehicle and employee can be sent to the closest job and support lone working systems
- Typical journey patterns can be monitored and reviewed to establish the most efficient route.

3.5 *Fuel and emissions*

- 3.5.1 Achieving lower fuel use as a result of lower mileage is just one of the benefits of telematics. Systems can also report on the fuel economy of specific vehicles. By having more accurate, vehicle-specific data, the council can quickly identify where action needs to be taken, such as with driver training. By improving fuel economy and reducing time spent idling will reduce its total carbon emissions.

3.6 *Safety and security*

- 3.6.1 Telematics can provide the information needed to improve safety, reduce accidents and combat vehicle crime. The system can clearly identify speeding, harsh braking and acceleration, over-revving and hours of vehicle use. This information can be used to pinpoint safety issues so drivers and managers can be trained and educated.

3.7 *Financial benefits*

- 3.7.1 Typical figures suggest that through better scheduling, higher productivity and increased vehicle utilisation, operating costs can fall 10%. By covering fewer miles, reducing speeding and improving driving style, fuel use and CO₂ emissions can be cut by 7%.
- 3.8.2 Because telematics systems provide accurate location and time information, this would allow the council to successfully challenge incidents of claims against council vehicles.

3 *Business case*

- 4.1 This project is funded from the Invest to Save Reserve.

5 *Performance against original business case*

- 5.1 The original business case for telematics was predicated upon delivering the following benefits;
- An overall saving of 7% on fuel,
 - A 15% reduction in maintenance costs
 - A 15% reduction in accidents and resultant claims
 - A 15% reduction in damage costs

5.2 Due to the short period of the trial to date it is not been possible to measure performance against reductions maintenance costs and costs associated to accidents.

6 *Ancillary benefits*

6.1 In addition to the statistical data telematics systems can produce, there are a number of ancillary benefits.

6.2 Telematics systems are able to provide intelligent data on vehicle utilisation, informed by driver shift patterns, number of jobs, etc. Organisations are able to put forward bespoke information that should be accounted for when measuring utilisation to create data output. The data can be used to highlight and inform departmental decisions around staff shifts, fleet rationalisation and cross departmental opportunities based on real-world staffing operations.

7. **Corporate Considerations**

7.1 **Consultation and Engagement**

7.1.1 There are several strands to the stakeholder consultation process for this procurement. Key stakeholders are the unions, HR, operational staff, Heads of Service, and Environment Programme Board from a governance perspective.

7.1.2 Transport leads in all service areas have discussed requirements for a telematics system in the transport liaison meetings and corporate Health & Safety meetings. It is well recognised by this group of specialist officers that telematics offers a number of benefits.

11. **Equality and Diversity / Cohesion and Integration**

11.1 The equality impact assessment for this procurement can be found at appendix A. In summary, it concludes there are some minor implications for one equality strand, disability (hearing and sight and those who suffer colour blindness).

12. **Council Policies and the Best Council Plan**

12.1 This report draws attention to co-ordinated working that demonstrates a contribution towards the following priorities contained in the Best Council Plan:

- Achieve the savings and efficiencies required to continue to deliver frontline services

Climate Emergency

12.2 The report highlights the contribution to the following Council Business Plan priorities:

- Contributing towards developing Leeds as a Low Carbon city through reduced fuel consumption and, therefore, pollution
- Contribution towards a carbon reduction target of 40% by 2020
- Improving the city's Air Quality through reductions in harmful pollution from diesel engines
- Spending Money Wisely – Achieving Value For Money in respect of its fleet replacement programme

13. Resources and value for money

- 13.1 To extend the installation of telematics into 450 vehicles is estimated to cost £118.4k over the life of the extension. Most of this expenditure will be met from the £104k uncommitted balance on the Invest to Save Reserve and there is sufficient funding within the Leeds Building Services to meet the balance for the roll out of telematics.

14. Legal Implications, Access to information and Call In

- 14.1 The information recorded by the vehicle tracking system is considered to be personal data because it allows anyone accessing the system to identify an individual, the driver and their behaviour. The use of the vehicle tracking system, its functionality and the information it holds, must be proportionate, transparent and reasonable. Driver data on the operation of a specific vehicle will only be used where there is a business need to do so.
- 14.2 Personal data must be processed in accordance with the Data Protection Act 1998 and Council policy, in particular the Data Protection Policy. Accordingly, relevant drafting has been created for inclusion in the Corporate Telematics Policy and drivers are to be informed of the Council's intentions in this regard via Fair Processing Notices.
- 14.3 The data recorded by the vehicle tracking system will be kept for a minimum of 6 years to comply with the Council's information retention policy, and to help provide management information about vehicle use for insurance claims and if necessary resolve any complaints or allegations made against the Council or its employees.
- 14.4 There are no legal issues relating to this report and all information within this report is publicly available.
- 14.5 The procurement process is compliant with the council's Contract Procedure Rules and involves a call off from an established framework that is compliant with European Union legislation.
- 14.6 Due to the value of this procurement exercise and the subsequent exercises that will utilise the new framework of supplier this decision is not subject to call in.

15. **Risk Management**

- 15.1 A significant risk of introducing corporate telematics, is the possibility of failing to realise the benefits through failure to effectively utilise the MI data. This risk shall be mitigated by the introduction of an agreed policy and protocols, with regular updates provided to the Environment Programme Board.

16. **Conclusions**

- 16.1 The approval to extend the contract will support a more detailed business case around the 450 units for full roll out at EPB with captured tangible and non-tangible benefits.

17. **Recommendations**

- 17.1 The Chief Officer Civic Enterprise Leeds is asked to:

- Note the content of this report,
- Approve the extension of the current contract for the supply of existing telematics and rental to the council through to 19th February 2022,
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Background documents

None.

Equality, Diversity, Cohesion and Integration Screening

Appendix A – Equality Impact Assessment

As a public authority we need to ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions. Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality, diversity, cohesion and integration.
- whether or not equality, diversity, cohesion and integration is being/has already been considered, and
- whether or not it is necessary to carry out an impact assessment.

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| Directorate: Strategy and Resources | Service area: PPPU |
| Lead person: Emma Slater | Contact number: 0113 3785851 |

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|---|-------------------|-------------------------------------|--------------------|
| 1. Title: | | | |
| Is this a: | | | |
| <input type="checkbox"/> | Strategy / Policy | <input type="checkbox"/> | Service / Function |
| | | <input checked="" type="checkbox"/> | Other |
| If other, please specify – project for equipment roll out | | | |

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| 2. Please provide a brief description of what you are screening |
| The installation of telematics systems in fleet vehicles. |

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| <p>3. Relevance to equality, diversity, cohesion and integration All the council's strategies/policies, services/functions affect service users, employees or the wider community – city wide or more local. These will also have a greater/lesser relevance to equality, diversity, cohesion and integration.</p> <p>The following questions will help you to identify how relevant your proposals are.</p> <p>When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation and any other relevant characteristics (for example socio-economic status, social class, income, unemployment, residential location or family background and education or skills levels).</p> | | |
| Questions | Yes | No |
| Is there an existing or likely differential impact for the different equality characteristics? | X | |
| Have there been or likely to be any public concerns about the policy or proposal? | | X |
| Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom? | | X |
| Could the proposal affect our workforce or employment practices? | X | |
| Does the proposal involve or will it have an impact on <ul style="list-style-type: none"> Eliminating unlawful discrimination, victimisation and harassment Advancing equality of opportunity Fostering good relations | | X |

If you have answered **no** to the questions above please complete **sections 6 and 7**

If you have answered **yes** to any of the above and;

- Believe you have already considered the impact on equality, diversity, cohesion and integration within your proposal please go to **section 4**.
- Are not already considering the impact on equality, diversity, cohesion and integration within your proposal please go to **section 5**.

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| 4. Considering the impact on equality, diversity, cohesion and integration |
| <p>If you can demonstrate you have considered how your proposals impact on equality, diversity, cohesion and integration you have carried out an impact assessment.</p> <p>Please provide specific details for all three areas below (use the prompts for guidance).</p> |

- **How have you considered equality, diversity, cohesion and integration?**

(**think about** the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)

The telematics system being procured will include an in-vehicle driver alert system that uses a 'beep' and RAG light bar to tell drivers if they are driving in a risky manner. Therefore, persons who are hard of hearing may have difficulty using the system, or potentially those that are colour blind. There are no other anticipated effects of the systems on persons that fall within any of the equality strands.

- **Key findings**

(**think about** any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups, potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)

As above.

- **Actions**

(**think about** how you will promote positive impact and remove/ reduce negative impact)

There is little scope for making any change to the hardware described above. However it is proposed that drivers who have difficulty hearing the beep will be more reliant on the lighting system, and those with any difficulty with the lighting will be more reliant on the 'beeps'.

5. If you are **not already considering the impact on equality, diversity, cohesion and integration you **will need to carry out an impact assessment.****

| | |
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| Date to scope and plan your impact assessment: | |
| Date to complete your impact assessment | |
| Lead person for your impact assessment (Include name and job title) | |

6. Governance, ownership and approval

Please state here who has approved the actions and outcomes of the screening

| Name | Job title | Date |
|------------|-----------------------------|------|
| Polly Cook | Executive Programme Manager | TBC |

7. Publishing

This screening document will act as evidence that due regard to equality and diversity has been given. If you are not carrying out an independent impact assessment the screening document will need to be published.

If this screening relates to a **Key Delegated Decision, Executive Board, full Council** or a **Significant Operational Decision** a copy should be emailed to Corporate Governance and will be published along with the relevant report.

A copy of **all other** screening's should be sent to equalityteam@leeds.gov.uk. For record keeping purposes it will be kept on file (but not published).

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| Date screening completed | 04 January 2017 |
| If relates to a Key Decision - date sent to Corporate Governance | |
| Any other decision – date sent to Equality Team (equalityteam@leeds.gov.uk) | To send once Polly approves |