

## Report of Chief Commercial Services Officer

### Report to Scrutiny Board (Resources and Council Services)

**Date: 3<sup>rd</sup> October 2011**

**Subject: Commercial Services Fleet Services**

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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### Summary of main issues

1. The purpose of the report is to inform the Scrutiny Board of the functions undertaken by Fleet Services.
2. Fleet Services is based at York Road and has 64 FTE's delivering fleet maintenance and management functions and is responsible for the safety regulation of the Councils 1200 fleet of vehicles.
3. The Service has both internal and external income streams and delivers a surplus contribution to the Resources budget.
4. Opportunities for expansion of the income base and efficiency savings for the Authority have been identified in the plans for the service.
5. Performance output targets are monitored within Fleet which allows safety, quality and cost targets to be met.

### Recommendations

6. The Scrutiny Board (Resources and Council Services) are recommended to note the information regarding the operation of the Fleet Services Division of the Resources Directorate.

## **1 Purpose of this report**

- 1.1 The purpose of this report is to appraise Scrutiny Board of the functions undertaken by Fleet Services, its trading position, potential for income generation and the regulatory functions it undertakes.

## **2 Background information**

- 2.1 Fleet Services sits with the Commercial Services Group, part of Resources Directorate. It is a traded service responsible for the procurement and maintenance of around 1200 Council vehicles. It also is responsible for the safety regulation of the Council fleet, the 'Operator Licence', and contributes, through fuel management and alternative fuelling strategies in reducing carbon emissions. The service also maintains and supplies the Council's vehicle fuelling system.

## **3 Main Issues**

### **3.1 Description of Service**

- 3.1.1 Fleet Services is based at the former bus depot site at Torre Road (now 225A York Road). The maintenance section employs 32 Technicians working on three shift patterns which allow the facility to open from 6.00 am – midnight Monday to Thursday and 6.00 am – 6.30 pm Friday to Sunday, 362 days a year.
- 3.1.2 A further 32 staff are employed in the service to support both vehicle maintenance and fleet management functions which include, vehicle safety, fleet regulation, transport stores, technical and transport reception / administrative roles, management and supervision.

### **3.2 Main Client Base and Vehicle Types**

- 3.2.1 Detailed below are the main clients for the service and number and type of vehicles operated

Client	Vehicle Types	No.s
Refuse, Street Cleansing, Waste Management	Vans/tippers/sweepers/gully tankers/RCV's / Hookloaders / Compaction machines	207
Highways	Vans / tippers / pickups / tipper-gritters / plant / trailers	153
Passenger Transport	Vans / MPV's / Minibuses / Welfare Buses	159
Property Mainten ance	Vans / Tippers / Misc	176
Parks and	Vans / tippers / pickups /	112

Countryside	4 x 4 /	
Libraries	Library Buses / Vans / misc	12
Almo's	Cars / Vans / Tippers / misc	87
Schools	Minibuses	77
Libraries	Vans / Library Buses	15
Other	Various	193
	<b>Total</b>	<b>1191</b>

### 3.3 Regulatory Requirements

3.3.1 The Authority manages the Fleet for the Council through a statutory undertaking to VOSA (Vehicle Operator Services Agency) which it allows to discharge the 'Operating Licence'. The Operating Licence is needed to operate any goods carrying vehicles over 3500kg (Gross Vehicle Weight) and is governed by stringent legal requirements of which the Council must adhere to in terms of:-

- Standard and frequency of vehicle safety inspections as agreed with VOSA
- Good Repute
- Vehicle operating centres and hours of operation
- Loading / overloading
- Drivers hours compliance

### 3.4 Authorised Testing Facility

3.4.1 Fleet Services are now the first Local Authority workshops to become a designated VOSA ATF (Authorised Testing Facility) where Large Goods Vehicles are tested on site, this has allowed savings on travelling from the workshops to the existing VOSA site at Rothwell. In terms of fuel engineer / driver hours per annum the savings have been an estimated £8k and 1600 hours per annum respectively.

3.4.2 The Large Goods Vehicle MOT pass rate is currently at 93% which is much higher than the national average of 85%. This pass rate and low roadside vehicle safety check issues, ensures our operator license risk score remains at green (very low) underpinning the continued good repute earned with VOSA.

3.4.3 Fleet Services is also a designated MOT test facility for a wide variety of vehicles ranging from cars up to private buses. The MOT station not only provides MOT testing facilities for the Councils fleet but is also widely used by the general public and is regarded as impartial due to the Council being unable to carry out any work found on private vehicles during the test.

3.4.4 There are now 6 nominated testers available within Fleet Services who provide cover for all shift patterns worked and this ensures any fleet vehicle MOT test can be carried out at any point during workshop opening hours day or night.

### **3.5 Vehicle Safety Team**

3.5.1 The vehicle safety team since they were formed have achieved the ROSPA (Royal Society for the Prevention of Accidents) Bronze, Silver and Gold awards for the Management of Occupational Road Risk.

3.5.2 The awards are the result of promotion and implementation of effective policies for the Management of Occupational Road Risk within Leeds City Council's health and safety systems in which we as an employer address the risk created and faced by our staff who use transport for work purposes every day.

3.5.3 A vehicle safety team comprising of 3 Officers are all ROSPA accredited driver assessors and carry out driver assessments for all Services. A wide variety of training is offered to Directorates and external customers. A rolling programme of training is provided and an example of 2010/11 details are attached as appendix 1.

3.5.4 More recently due to European Law all drivers of vehicles over 3500kg used in the course of a business must undertake a Drivers CPC (Certificate in Professional Competence) course which consists of 35 hours training within a 5 year period (before September 2014) in sessions of a minimum of 7 hours duration.

3.5.5 The vehicle safety team have set up a facility and dedicated training course approved by the external adjudicating body which allows them to provide the CPC course. Savings to the Authority in the region of £50k per annum have been made compared against external providers. This facility has also given the flexibility needed for the services and operational managers to function with minimal impact on the front line services.

### **3.6 Turnover and Value for Money**

3.6.1 For the 2011/12 financial year Fleet Services approved budget is for a surplus of £626,810 (net cost of service). This is based on turnover of £12,178,270, representing a rate of return of 5.1%. This takes into account central charges amounting to £336,660 and capital charges of £135,930.

Turnover		Profit
2010 / 11	£12.0M	£448k
2011 / 12	£12.2M	£627k
2012 / 13	£12.2M (forecast)	£627k(forecast)

3.6.2 The financial return of the service has also seen direct budget savings to clients, as well as the bottom line on fleets own account e.g. savings to Refuse, Passengers etc., and has made contributions to the Authority's deficit through smarter procurement and asset life extensions. The details of actions and savings to date are provided in appendix 2

### 3.7 Performance and Efficiency

- 3.7.1 Fleet Services produces a yearly Service Plan contributing to the Councils overall outcomes ensuring fleet compliance, vehicle and public safety, reliability of the fleet with up to date technical support / guidance for service functions.
- 3.7.2 The service underwent a full review and fleet modernisation in 2006 with the main focus being service improvements to meet customer needs and reducing downtime. A step change in both performance and efficiency has been accomplished through process re-engineering, multi-skilling of engineers and live data capture. Appendix 3 provides details of the vehicle repair times in 201/11 compared to 2005/06.
- 3.7.3 The performance outcomes for Fleet Services are monitored on a regular basis through quarterly KPIs an example of these are attached in appendix 4. There has been a noticeable improvement in vehicles arriving on the scheduled days for service/inspection as current performance is 72% achievement compared to 35% in 2005/6.

### 3.8 External Trading

- 3.8.1 Fleet Services undertakes a range of services on behalf of external clients providing maintenance service to Dawsons Sweepers, a fleet management and maintenance package to the ALMO ENEH, warranty work for vehicle providers such as Ford, Mercedes and the provision of driver training.

Client	Description
Dawsons Sweepers	Maintenance of the road sweeper chassis.
ALMO'S, ENEH	Procurement & Maintenance of the vehicle fleet
Leeds Equipment Services	Maintenance of the van fleet
Taxi Licensing	Taxi Private Hire Training as requested
Other private transport orgs.	Certificate of Professional Competence Training

In total £540,000 is secured from external work

- 3.8.2 Discussions have also taken place with neighbouring Authorities on potential fleet management shared services also through SWYTMG (South and West Yorkshire Transport Managers Group) activities around sharing fleet information, maintenance services, documentation and benchmarking information.

- 3.8.3 Fleet Services continually benchmark its services with other private organisations to ensure an efficient and transparent service is provided at the right price.
- 3.8.4 External verification of the service is provided through VOSA for operational fleet monitoring and Zurich with reference to Loler Inspections on lifting equipment.

### **3.9 Environmental Impacts**

Managing the environmental impacts of fleet activity is a key priority for the service.

- 3.9.1 Fleet Services completed a green fleet review in conjunction with the Energy Savings Trust in 2008, providing the Authority with a baseline of fleet emission data and guidance on future emission reduction initiatives.
- 3.9.2 The contribution Leeds City Councils fleet makes towards the Councils overall CO<sub>2</sub> emissions initiated the need for continued and meaningful action to actively reduce this figure.
- 3.9.3 The Council has, since 1998, run the fleet on bio diesel with the most up to date engine specifications where possible, currently Euro 5.
- 3.9.4 Working with Cenex, the UK's first Centre of Excellence of Low Carbon Vehicle Technologies, a number of trials are underway with five fully electric vehicles emitting zero emissions while working in the Road Safety Unit and Property Maintenance.
- 3.9.5 An additional 19 diesel / electric hybrid vans are also performing daily functions again within the various building trades with a reduced CO<sub>2</sub> of at least 10% compared to their diesel only powered equivalent.
- 3.9.6 While continued work goes around the smaller fleet vehicles it was highlighted that the refuse fleet with such a high fuel consumption contributed around 4,000 tonnes of CO<sub>2</sub> per annum to the Councils overall emissions.
- 3.9.7 Working with the refuse service, Leeds purchased the first bio methane refuse vehicle in the UK (this vehicle runs on clean landfill gas) and a dual fuel diesel / bio-methane equivalent, these vehicles are showing up to a 60% "well to wheel" reduction in CO<sub>2</sub>.  
  
(65 standard refuse vehicles produce 4,000 tonnes of CO<sub>2</sub> per annum).
- 3.9.8 In March this year through the Department of Transport funding was made available for a permanent bio-methane filling station erected at the Knowsthorpe Way refuse facility to support the continued trial of the two gas powered trucks for their full life cycle.
- 3.9.9 Lastly the councils fleet procurement strategy continues to support the need for emission reduction and fleet in conjunction with Environmental Services continue to monitor the market place for alternatives while ensuring service continuity.

### **3.10 Future Plans**

There are a number of further areas for development, which have been identified in Fleet Services 2011/13 service plan and these include:

- 3.10.1 A recommendation which has been made to CLT that consideration is given to merging the fleet maintenance for Parks and Countryside with Fleet Services at York Rd.
- 3.10.2 Fleet Services are to establish fleet forums for new vehicle purchases to look at possible utilisation of vehicles across the Authority, share good practice and seek other transport related efficiencies.
- 3.10.3 Arrangements have been established to liaise with Treasury on fleet replacement strategies to ensure a coordinated approach throughout the Authority on transport related spend.
- 3.10.4 To work closely with Directorates on the verification of roles and responsibilities within transport areas to ensure fleet compliance.
- 3.10.5 The continuation of the delivery of bespoke training programmes to service users e.g. fuel efficiency savings, reduction of accidents and environmental management.

## **4 Corporate Considerations**

- 4.1 There are no corporate governance issues to be considered within this report as the information provided is a statement of detail regarding the functions undertaken by Fleet Services.

## **5 Conclusion**

- 5.1 The future plans for the service provide for a number of opportunities to generate further efficiencies for the Authority in relation to it's spend on fleet maintenance and management.
- 5.2 Performance output targets are monitored within Fleet which allows safety, quality and cost targets to be met, this includes the measurement of turnaround times for the repair of vehicles.

## **6 Recommendations**

The Scrutiny Board (Resources and Council Services) are recommended to note the information regarding the operation of the Fleet Services Division of the Resources Directorate.