

MEETING:	ENVIRONMENT SCRUTINY
DATE:	23RD NOVEMBER 2009
TITLE OF REPORT:	COUNCIL VEHICLE FLEET
REPORT BY:	ASSISTANT DIRECTOR ENVIRONMENT AND CULTURE

Wards Affected

County-wide

Purpose

To inform the committee of the make up of the council fleet and highlight opportunities being considered to improve the management and environmental performance of the fleet.

Key Decision

This is not a Key Decision.

Recommendation

THAT subject to any comments the Committee wish to make the Committee note the report .

Key Points Summary

- The council's fleet was 284 vehicles in July 2009, with cars and vans being the largest groups within this.
- The Environment and Culture Directorate commissioned a Green Fleet Review from the Energy Saving Trust. This concluded that there are opportunities for achieving annual savings in the region of 1288 tonnes of carbon (16%) and £180,000 from improved fleet management and operation.
- The Council's strategic service delivery partner, Amey, are already investing in improved management and operation of their own fleet to improve financial and environmental performance. Initial discussions have commenced to investigate opportunities for the Council to benefit more widely from this initiative.

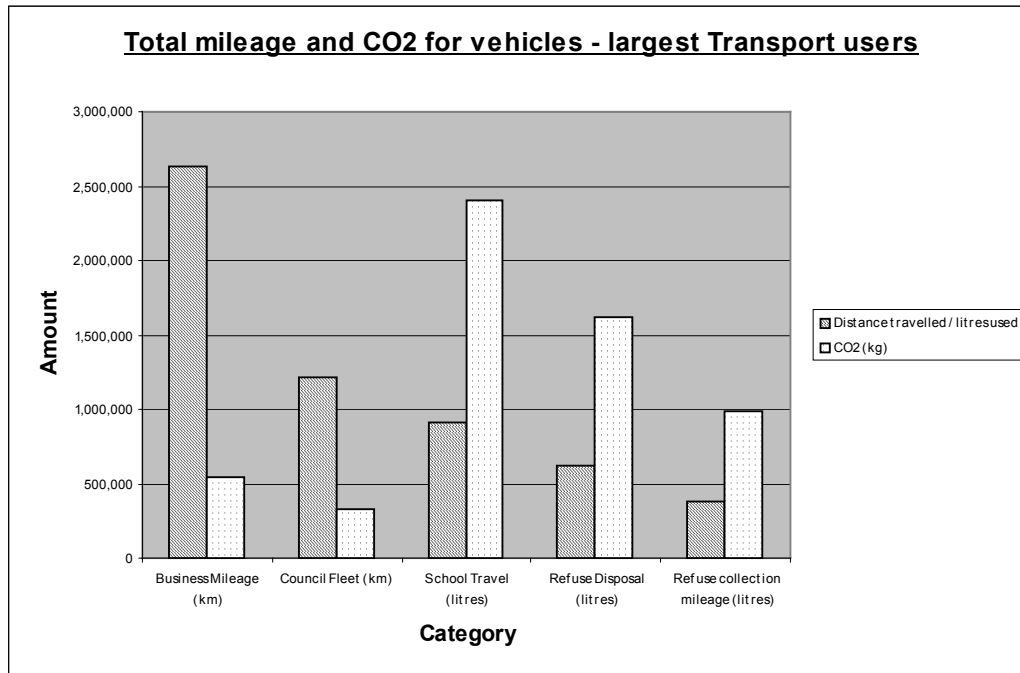
Introduction and Background

- 1 The committee at their meeting on 14th September 2009 asked that "a report be made to the next meeting on the findings by the Energy Saving Trust into the Council's vehicle fleet, detailing in particular the number of vehicles owned and maintained by the Council, specifically detailing vehicle age and emissions."

Further information on the subject of this report is available from
Richard Ball, Assistant Director Environment and Culture, 01432 260965

Key Considerations

- 2 The table below, based on the council's NI185 return for 2008/09, shows that mileage and emissions from business miles and the council fleet form a significant component of the council's carbon emissions from Transport. Note that while the mileage (grey bar) is large the contribution of these elements to carbon emissions (white bar) is smaller.



- 3 An inventory of vehicles owned by the council has been compiled. Compiling the data on vehicles owned by the Council has been a significant task as there is currently no single system for recording vehicle ownership across the Council. The following represents the best overall data currently available for the Council's fleet.

4 Make up of Council fleet July 2009

	Number of vehicles	Vehicle Age Range	Range of emissions (gms CO2/km)
Cars	74	1-16 years	104 - 200
Minibus	57	6 months – 14 years	N/A*
Vans	83	6 months – 18 years	N/A
4x4	16	3 -10 years	N/A
Specialist	18	2 -17 years	N/A
Total	248**		

* Information on emissions from these vehicles is not available on the DVLA website or collected by service managers **11 gritters and 22 other vehicles have since been transferred to Amey as part of the Service Delivery Review changes introduced on 1st September 2009.

- 5 No central guidance or oversight is currently in place re selection or operation of council owned vehicles. Applicants for lease cars are made aware of the financial benefits of choosing a low emission vehicle
- 6 A Green Fleet Review was commissioned from the Energy Saving Trust (EST) based on the inventory in order to ascertain the scope for improving management and environmental performance of the council fleet.
- 7 The Energy Saving Trust has now provided a comprehensive report on the options for improvement based on the information submitted. Their Executive Summary is included at Appendix 1.
- 8 The Council's strategic service delivery partner, Amey Herefordshire, provides services in relation to vehicle maintenance and aspects of fleet management of the Council's fleet, alongside its own. This area of work now sits as part of the revised service delivery partnership arrangements that commenced on the 1st September 2009 and encompasses targets for improved environmental performance. Not all vehicles in the council's fleet are currently managed or maintained through Amey Herefordshire. Amey Herefordshire's own fleet is both extensive (175 vehicles and 800 items of plant) and diverse (from heavy construction plant, to van with tail lifts, min-buses and car). Amey Herefordshire have both the capability and resources in place to manage their own fleet well and as such have the capability to extend this to encompass all the council's fleet, should this be considered appropriate and represent value for money.
- 9 There are many issues to consider in the provision of a fit for purpose fleet management service and these extend well beyond the simple acquisition, maintenance and disposal of a vehicle. Through their current fleet management processes Amey Herefordshire ensure that all vehicles in their fleet are properly certificated, receive regular maintenance, the equipment in the vehicle is properly calibrated and that vehicles, that are fit for purpose, are available when needed. In addition to this Amey Herefordshire have tracking devices fitted to their fleet. This has several advantages. It enhances driver safety (in response to lone working concerns), enables the curtailment of inappropriate speed, is reducing unnecessary journeys and enabling Amey to understand the usage of their fleet. This will enable Amey Herefordshire to optimise (a balance between resilience and minimising of their fleet) whilst reducing its carbon footprint. Driver training and evaluation ensures fleet drivers are compliant with relevant legislation relating to fleet operation. The Council has required Amey to meet an annual 1.25% carbon reduction target as part of the contractual arrangements for the delivery of services to the Council. However, Amey is aiming to reduce their emissions by 10% a year. Amey has already bought one electric vehicle and are investigating further use.
- 10 The new waste collection contract with Focsa also provides significant environmental benefits as a result of the replacement of the fleet of refuse collection vehicles. A total of 34 new Dennis vehicles were delivered during October. These vehicles comply with the latest EURO5 standard for emissions and are expected to provide a 5% reduction in CO2 emissions compared to the previous fleet. This environmental benefit will also be enhanced by the increased collection of recyclables as a result of changes to the collection arrangements.
- 11 Amey provides maintenance and fleet management services for much of the Council's fleet. Given the issues highlighted by the Green Fleet Review initial discussions have commenced to examine opportunities for joint working to improve management of the Council's fleet and take advantage of the improvements being made to Amey's own fleet.

Financial Implications

12. None as a result of this report. However, improved fleet management offers the potential for efficiency savings and environmental benefits.

Legal Implications

13. None as a result of this report.

Risk Management

14. Financial Risks – An improved approach to fleet management has the potential to deliver savings for example, in relation to fuel purchase, servicing of vehicles, lease and short term hire.
15. Climate change – The council has set itself a target of reducing its own carbon emissions by 20% by 2020 - equivalent to 1.25% a year. The council is also the lead body for the Local Area Agreement target to reduce county carbon emissions by 13.1% over 3 years and thus have a community leadership role – and concomitant reputational risk if we are seen not to be actively managing our own carbon emissions.
16. Health & Safety Risks – It is important to ensure staff safety. The main areas of risk are (1) staff driving long distances in one day, becoming tired and increasing the risk of accidents: therefore mitigate this by using public transport/stays overnight; (2) grey fleet vehicles may not be road worthy: this risk can be reduced by checks on insurance, MOTs servicing, and on licences held. HR policies set out the assessment managers should undertake to establish whether a trip is necessary and how the employee should travel. A health & safety policy on employee driving is likely to be developed during the coming year.

Appendices

Appendix 1: Green fleet review executive summary and key issues

Background Papers

EST Green Fleet review 2009

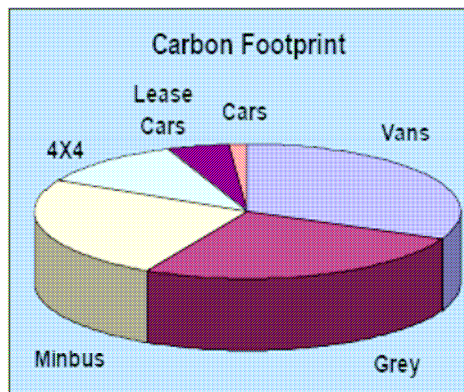
Appendix 1: Green fleet review executive summary and key issues

Executive Summary

From the data provided by Herefordshire Council, we have estimated the annual carbon footprint from vehicle business travel to be approximately **1,820 tonnes**. The recommendations are featured in the Action Plan and Recommendations Section later in this report but in summary, we believe the main recommendations listed below would lead to increased efficiency of the fleet.

- Introduce a centralised mileage management policy.
- Introduce a centralised fuel management program.
- Control and reduce grey fleet mileage and substitute with pool cars.
- Introduce fuel efficient driver training and communication.
- Optimise the van, 4X4 and operated car carbon emissions.

We forecast this could reduce carbon emissions by approximately **288 tonnes** per annum (**16%**) and a potential **£180,000** cost reduction.



Sector	Carbon Footprint (tonnes)	%	Business Miles	%
Vans	573	31%	1,557,854	29%
Grey Fleet	477	26%	1,711,165	32%
Minibus	450	25%	1,008,795	19%
4X4	206	11%	632,598	12%
Lease Cars	85	5%	325,864	6%
Cars	26	1%	118,198	2%
Pool Cars	3	<1%	15,000	<1%
TOTAL	1,820	100	5,369,474	

The combined fleet covers around **5.4 million business miles** each year, heavily dominated by the Vans with 31% of the carbon footprint and 29% of the estimated mileage, the Grey Fleet with 26% of the footprint and 32% of the miles and the Minibuses with 25% of the footprint and 19% of the miles.

In several areas, Herefordshire Council has already demonstrated best environmental practice in not paying private fuel used in company vehicles and reimbursing grey fleet mileage at HMRC AMAP rate (40p per mile). However, there are still major areas of opportunity to reduce the organisation's carbon footprint, transport costs and corporate liability.

Key issues highlighted by the EST Green Fleet Review report October 2009

1 Introduce a mileage management policy

- The introduction of a centralised and controlled mileage management policy and a 5% reduction in fleet mileage could save in the region of £54,000 per year in fuel/mileage costs and around 69 tonnes of CO₂.

2 Introduce a fuel management programme

- Each 1% fuel saving could save around 18 tonnes of CO₂ and an estimated £5,500 of expense. For a car driver doing 12,000 miles per year, this equates to annual savings of approximately £200-250 and far more for a high mileage driver.

3 Reduce emissions profile of the van fleet

- There were a reported 92 vans on the fleet and this is the area that has the biggest contribution to the carbon footprint.
- A reduction of 5% in mileage or fuel use in the vans alone would save 29 tonnes of CO₂ per annum and around £12,000 of costs.
- Speed limiters alone have the potential to reduce the van carbon footprint by 29 tonnes and £12,000 fuel cost.
- Ford has reported that for the Transit there is up to a 9% fuel saving to be made by slowing from 70mph to 65mph and up to 18% from 70mph to 60mph.
- At a yardstick retail pricing of £1/litre, this equates to around £5,740 saved in fuel (plus the lower lease or purchase cost) each per year.

4 Reduce the impact of the grey fleet (staff owned cars used on council business)

- Substituting just 10% of the current grey miles with pool cars could potentially save HC 13 tonnes of carbon each year.

5 Part Two – Additional Issues and Recommendations

- A 5% reduction in minibus fuel would save 22 tonnes and £7,650 of cost each year.
- A 10% reduction in the emissions of the 4X4 fleet would save 21 tonnes of carbon and £9,500 per year.
- A 10% reduction in the emissions of the lease car fleet would save 8 tonnes of carbon and £5,000 per year

6 Reduce the emissions of the operated cars

Although this area only contributes 1% of the carbon footprint and 2% of the total business miles, an achievable 10% reduction could potentially save 3 tonnes of carbon and £1,800 per year.