

MEETING:	ENVIRONMENT SCRUTINY COMMITTEE
DATE:	26TH MARCH 2010
TITLE OF REPORT:	COUNCIL VEHICLE FLEET
REPORT BY:	ASSISTANT DIRECTOR ENVIRONMENT AND CULTURE

Wards Affected

County-wide

Purpose

To highlight the current position and outline a programme of work aimed at improving the management of the council's vehicle fleet.

Recommendation

THAT subject to any comments the Committee may wish to make, the report be noted.

Key Points Summary

- A total of 204 vehicles have been notified to the Council's Corporate Risk Manager by March 2010 as forming the Council's vehicle fleet.
- As previously reported, a Green Fleet Review has been undertaken that concluded that there are opportunities for achieving annual savings in the region of 1,288 tonnes of carbon (16%) and £180,000 from improved fleet management and operation.
- Fleet administration is done within individual directorates. The council currently has no overarching fleet management strategy. Although there are areas of good practice, such as the management of pool cars, overall asset management is variable and gives little opportunity for shared use, joint procurement and use of IT to help manage mileage and fuel costs.
- The Director of Resources, supported by the Assistant Director Environment and Culture, will lead a programme of work aimed at identifying the best way to improve the council's fleet asset management and it's subsequent implementation. The programme has identified the high level options for improvement and a set of criteria that will be used to decide between the options, upon which Members views are invited.

Introduction and Background

- 1 The committee at their meeting on 23rd 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."
- 2 The report delivered on 23rd November 2009 gave details of the council's fleet, based on

the best available information at that time, together with a summary of the recommendations from the Green Fleet Review carried out by the Energy Saving Trust in August 2009. It also highlighted a number of issues with the council's fleet asset management.

Key Considerations

3 Since the last report, details of the Council's fleet have been further examined to provide an up to date position. The following table identifies those vehicles notified to the Corporate Risk Manager by March 2010. Whilst this provides the latest position, a detailed audit of all vehicles will be undertaken as part of the forthcoming programme of work to establish a robust register of vehicles upon which to base future management arrangements.

4 Make up of Council fleet March 2010

	Number of vehicles	Vehicle Age Range	Range of emissions (gms CO2/km)
Cars	58	1-10 years	104 – 200
Minibus	69	6 months – 14 years	N/A*
Vans	43	6 months – 18 years	N/A
4x4	14	3 -10 years	N/A
Specialist	20	2 -17 years	N/A
Total	204		

* Information on emissions from these vehicles is not available on the DVLA website or collected by service managers.

5 In addition to making recommendations to increase fleet efficiency, the Green Fleet Review highlighted a number of issues with the way the council manages its fleet assets. The review showed that there is no clear strategy for fleet management nor is there any central guidance and oversight on selection, operation and disposal of council owned vehicles. Vehicles tend to be procured, operated and maintained locally by the teams that require them.

6 This situation makes it more difficult to confirm that vehicles are maintained appropriately, are fit for purpose and that all drivers are licensed and trained to use the vehicles that they operate. While we are aware of good practice in some areas, for example in the way that pool cars are managed, it would be difficult to confirm that procedures across the council are robust.

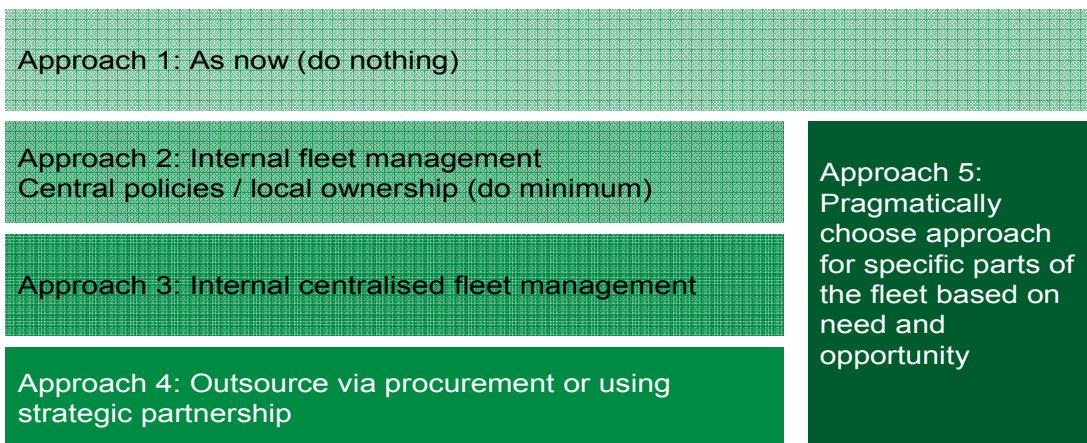
7 The lack of a comprehensive database of all fleet assets and information on their allocation and usage also makes it difficult to put in place appropriate arrangements to manage fleet performance and ensure efficient use of the assets.

8 It is clear that there would be benefits from putting in place more robust fleet management arrangements. These include the council's responsibility to ensure that all vehicles, including those owned by employees (and used in the course of their work), are fit for purpose, roadworthy and correctly insured; the need to understand the cost of running the fleet to ensure that the Council secures value for money; the need for a comprehensive

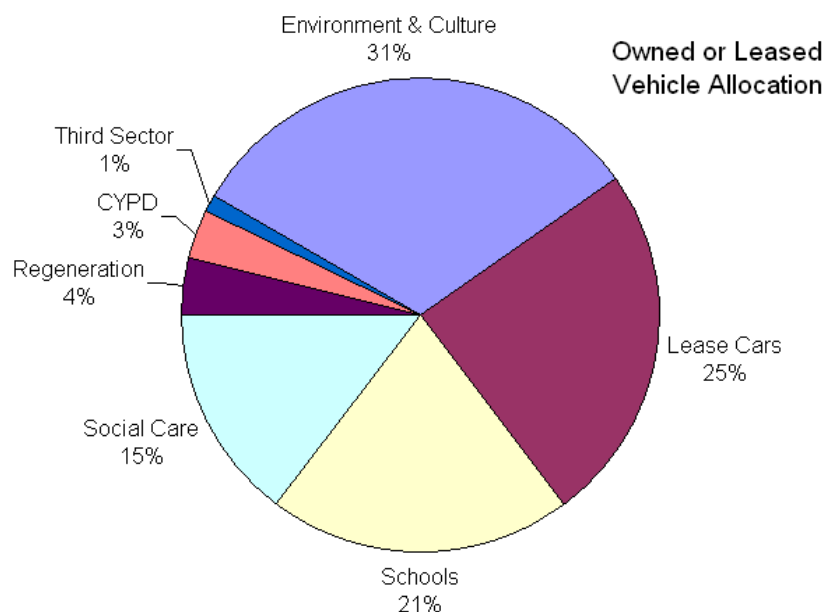
central fleet asset database; the need to influence staff travel habits. This would improve the Council's ability to manage risk, reduce cost and reduce CO₂ emissions.

Action Plan

- 9 Building upon the current fleet information, an audit will be carried out to generate a comprehensive register of all council owned and operated vehicles. This will then be supported by the development of a clear strategy for managing the register in future and the operation of the fleet.
- 10 In developing the strategy consideration will be given to a number of possible approaches including: managing the fleet as now but maintaining a comprehensive asset register and fleet management strategy; putting in place internal centralised fleet management; outsourcing via procurement or using our strategic partnership. The solution may include a blend of these approaches.



- 11 With the exception of the 'do nothing' option (which is not acceptable), all of these approaches imply changes to policies and procedures in all Directorates that use vehicles. The figure below shows the directorates and organisations affected and the proportion of the current fleet that they operate. Any opportunities for joint working with partners will be considered as part of the initial review.



- 12 The Wales Audit Office's Fleet Management Checklist (June 2008) has been used to develop a set of criteria which will be used to assess the chosen approach to ensure that it is in line with best practice:

Suggested criteria for new approach

- **Reduce corporate risk:** we need to be able to demonstrate that we follow best practice across the organisation
- Put in place **effective centralised asset management** across the organisation to ensure that we have a fleet that is value for money and fit for purpose
- Allow us to make **efficient use of fleet assets** flexibly across the organisation
- Allow us to implement the recommendations in the **Green Fleet Review** to take advantage of both the carbon footprint reductions and financial savings
- Any approach must be capable of being **implemented**

- 13 Members' views are invited on the above criteria.
- 14 The project will initially analyse the options for future fleet management against the above criteria. In addition, it will explore opportunities for joint management of vehicles across public services. This will enable the selection of preferred option, for which a Fleet Management Strategy will be developed. This will be followed by the implementation of the preferred option.
- 15 Given the urgent need to improve fleet management, the first stage of the project, to confirm the preferred option, will be complete by May 2010. A detailed implementation plan will also be developed to deliver this preferred option as quickly as possible.

Conclusion

- 16 The issues raised by the Environment Scrutiny Committee in relation to the current approach to fleet management have highlighted the need to improve current practice. The Director of Resources has recognised that significant improvements are needed to reduce the Council's exposure to risk and ensure value for money is being achieved. The programme of work identified above aims to deliver improvements to fleet management across the Council and respond to Members concerns.

Financial Implications

There are no financial implications of this project in the short term. However, improved fleet management including fleet performance management offers the potential for efficiency savings and environmental benefits.

Legal Implications

None as a result of this report.

Risk Management

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.

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.

Lack of robust fleet management has the potential to expose the council to risks associated with claims against the council, health and safety and road safety.

Background Papers

EST Green Fleet review 2009

Wales Audit Office's Fleet Management Checklist (June 2008)