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| MEETING: | ENVIRONMENT SCRUTINY COMMITTEE |
| DATE: | 26 NOVEMBER 2010 |
| TITLE OF REPORT: | COUNCIL VEHICLE FLEET |
| REPORT BY: | DIRECTOR OF RESOURCES |

CLASSIFICATION: Open

Wards Affected

County-side

Purpose

The report outlines the results of the vehicle fleet review. It contains details of the proposed approach to management of the vehicle fleet.

Recommendation(s)

THAT: subject to any comments that they wish to make, the Committee note the report;

Key Points Summary

- The project has put in place interim arrangements for fleet management which provide assurance and control over the current fleet
- Management of the individual leased vehicle fleet across Herefordshire Public Services is expected to be consolidated and will ultimately be delivered from the Shared Services Organisation
- Arrangements for managing the rest of the fleet are being developed with our fleet management partner, Amey Herefordshire. These arrangements will be put in place over the next 6 months so that the business fleet will be managed centrally early in the next financial year
- The new arrangements will prioritise the development and roll out of policies and procedures that will help to reduce carbon emissions (and with them cost) and reduce the risks associated with fleet operation
- Centralised fleet asset management will be rolled out commencing in April 2011. Centralising fleet management will allow both the implementation of a more consistent vehicle replacement policy and increased flexibility of asset use

Further information on the subject of this report is available from
Rob Hemblade, Parks, Countryside & Leisure Development Manager on (01432) 261981

Alternative Options

- 1 There are no alternative options as the committee are not being asked to make a decision.

Reasons for Recommendations

- 2 To keep the committee apprised of progress and advised of future development.

Introduction and Background

- 3 The committee at their meeting on 23 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.”
- 4 The report delivered on 23 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.
- 5 A further report on 26 March 2010 proposed a process for defining a new way of managing the council’s vehicle fleet with a set of criteria for choosing between options.
- 6 A detailed report was presented to the June 2010 meeting on how the management of the Council’s vehicle fleet was to be addressed. The report also included full details of the vehicle fleet including those of the Council’s shared service partners which were to be considered for inclusion in the strategy.
- 7 This report gives further details of the plan and timetable for development of the new arrangements.

Key Considerations

- 8 The report on 22 June presented an action plan to implement the centralisation of the current directorate based approach to fleet management and so reduce the Council’s exposure to risk and ensure value for money.
- 9 Interim procedures were put in place before the last report to ensure that the fleet asset register is kept up to date and the Corporate Risk Team informed of all acquisitions and disposals of vehicles. An officer within the council’s Resources directorate now owns the fleet asset register and ensures that the new procedures are followed.
- 10 Since the last report, Herefordshire Public Services’ approach to managing lease vehicles has been agreed. The agreed approach will see the management of PCT and council individual leased vehicles brought together in a shared function. This function will ultimately be moved to the Shared Service Organisation.
- 11 A project has also been initiated that will manage the implementation of new fleet management policies and the transition to centralised fleet management. This project will deliver the changes over the next 6 months with the transition to a fully centralised fleet asset management forecast to commence early in the next financial year. The project has identified a number of priority areas that will help to reduce carbon emissions (and with them cost) and reduce the risks associated with fleet operation. The target for the reduction in carbon emissions will be in line with Amey’s future targets which are currently being negotiated.

- 12 The priority areas include: travel policy incorporating implications for pool cars,, procurement and disposal policy; mileage and fuel management policy; accident management; management of legal documentation; driver license checks; accident management; servicing and maintenance.
- 13 It is anticipated that fleet management will be commissioned from Amey Herefordshire, using our existing contract management arrangements, and will be delivered by Amey Herefordshire's existing local fleet management team.
- 14 Changes to the arrangements for managing lease vehicles and revisions to the service delivery agreement with Amey will be checked against the criteria agreed for assessing fleet management options. These are shown below:

| <i>Fleet management criteria</i> |
|---|
| <ul style="list-style-type: none"> • 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 |

- 15 The Procurement Centre of Excellence will be involved in the project, helping to define a set of benchmarks that will be used to demonstrate that the new arrangements offer value for money. They will also provide advice as to whether the arrangements should be continued beyond the end of the initial contract form of September 2013.

Community Impact

- 16 There is no direct community impact but any costs savings and reduction in CO2 emissions will be of benefit to the community.

Financial Implications

- 17 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

- 18 None as a result of this report.

Risk Management

- 19 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.
- 20 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 has a community leadership role and therefore a reputational risk may occur if we are seen not to manage our own carbon emissions.
- 21 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.

Consultees

- 22 Amey Herefordshire

Appendices

- 23 None

Background Papers

- EST Green Fleet review 2009
- Wales Audit Office's Fleet Management Checklist (June 2008)