

REPORT TO:	ENVIRONMENTAL AND DEVELOPMENT SERVICES	AGENDA ITEM: 5
DATE OF MEETING:	23 JANUARY 2020	CATEGORY: (See Notes) DELEGATED or RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (SERVICE DELIVERY)	OPEN
MEMBERS' CONTACT POINT:	ADRIAN LOWERY, 5764, adrian.lowery@southderbyshire.gov.uk	DOC:
SUBJECT:	FLEET MANAGEMENT STRATEGY	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: (See Notes)

1.0 Recommendations

- 1.1 That Committee approves the Fleet Management Strategy and associated vehicle replacement plan.

2.0 Purpose of the Report

- 2.1 To make Committee aware of the revised Fleet Management Strategy and the associated vehicle replacement plan, which form a framework for developing policies, plans and procedures for the management and use of vehicles, plant and associated equipment.

3.0 Detail

- 3.1 The purpose of the Strategy is to ensure that service needs have effective vehicle solutions that fully meet regulatory requirements, service and corporate objectives and provide clear decision making for their management and use. It is also important to raise service awareness of vehicles as a corporate asset; they have a capital value, cost money to use and maintain, require statutory safety inspections to comply with various regulations and are required to meet Health and Safety Regulations.
- 3.2 The Head of Operational Services is responsible for the purchase, maintenance, repair and disposal of all vehicles owned by South Derbyshire District Council; these being:
- Large Goods Vehicles
 - Vans and pick-ups
 - Cars and car derived vehicles
 - Heavy plant and lifting equipment
 - Grounds Maintenance equipment
 - Depot plant
 - Trailers.

- 3.3 The Strategy sets out how the Council will maintain cost-effective and timely processes for repair and maintenance, commissioning, decommissioning and disposal of the vehicle fleet and ensure statutory requirements are adhered to.
- 3.4 The Strategy requires the review of developments and opportunities in alternative vehicle technologies including fuel types, and to consider these when implementing the vehicle replacement plan. This will help minimise the Council's impact on the environment and enable it to take a proactive role in assisting the Council to maintain its ISO140001 accreditation.

4.0 Financial Implications

- 4.1 The current and future earmarked reserves and contributions from the General Fund are shown below.

General Fund	2020.21	2021.22	2022.23	2023.24	2024.25
	£	£	£	£	£
Vehicle Replacement Reserve B/fwd	218,762	-243,770	13,082	313,082	432,662
Replacements	-762,532	-43,148	0	-180,420	-839,814
Transfer from Growth Provision	30,000	30,000	30,000	30,000	30,000
General Fund Contribution	270,000	270,000	270,000	270,000	270,000
Balance C/fwd	-243,770	13,082	313,082	432,662	-107,152

- 4.2 Previous reports to this Committee approved additional vehicles to be purchased in 2019/20, some of these vehicles are still to be purchased and have been rolled forward to 2020/21.
- 4.3 Housing vehicles are funded through the HRA and provision is made for replacements. The current and future earmarked reserves and contributions from the HRA General Reserve are shown below.

HRA	2020.21	2021.22	2022.23	2023.24	2024.25
	£	£	£	£	£
Vehicle Replacement Reserve B/fwd	186,000	231,000	239,327	284,327	280,141
Replacements	0	-36,673	0	-49,186	0
Revenue Contribution	45,000	45,000	45,000	45,000	45,000
Balance C/fwd	231,000	239,327	284,327	280,141	325,141

- 4.4 The current estimated replacement costs of the fleet on outright purchased is £3.4 million. Based on a standard seven-year programme this would equate to approximately £490,000 per annum. Some grounds maintenance vehicles will be funded from Section 106 monies and housing vehicles will be funded from the Housing Revenue Account (HRA).
- 4.5 It is proposed that, due to a shortfall on the current reserve for replacements required for the General Fund, a contribution from the Growth Provision to the Vehicle Replacement Reserve is made during the year-end period. This will be reported to Finance and Management Committee for approval in February 2020.
- 4.6 The Head of Operational Services will sweat assets and vary the replacement programme to extend the life of vehicles beyond seven years where it is cost effective to do so.

5.0 Corporate Implications

Employment Implications

5.1 None

Legal Implications

5.2 Failure to comply with the Operators' License obligations could lead to loss of ability to operate vehicles above 3.5 tonne and have a serious impact on service delivery. The Driver and Vehicle Standards Agency (DVSA) use the Operator Compliance Risk Score (OCRS) system to decide which vehicles should be inspected. OCRS is used to calculate the risk of an operator not following the rules on roadworthiness (the condition of its vehicles) and traffic, e.g. drivers' hours, weighing checks.

Corporate Plan Implications

5.3 The Fleet Management Strategy will help to ensure that the Council has a fit for purpose, safe, reliable and cost-effective vehicle fleet in the right place at the right time and at the right cost to support the strategic, corporate and service goals and objectives of the Council and to assist good service delivery.

Risk Impact

5.4 Loss of vehicles and loss of fuel are both covered in the corporate Risk Register and both have contingency plans within the Corporate Business continuity Plan.

5.5 Compliance with this strategy and associated policies and procedures should ensure that the Council maintains a good OCRS rating and therefore manages the risk of losing the Council's operator's license.

6.0 Community Impact

Consultation

6.1 Not applicable

Equality and Diversity Impact

6.2 Not applicable

Social Value Impact

6.3 Not applicable

Environmental Sustainability

6.4 The fleet is currently standardised as far as possible on diesel fuel. Modern diesel-engine vehicles are very efficient, generally clean (with lower emissions than petrol engines) and can run on more eco-friendly biofuels. This position will be maintained over the short-term whilst keeping alternative and more environmentally friendly

technologies under review, particularly for heavier vehicles which currently operate at very low levels of fuel efficiency. If opportunities arise to pilot such technology at reasonable comparable cost these will be explored, and decisions made on a case by case basis.

- 6.5 Fleet vehicles are an important part of the Council's operation and a significant cost to purchase, run and maintain. It is not be practical or cost effective to immediately move to a lower emissions fleet. The Council already ensures that vehicles are serviced regularly and that tyres are inflated to the correct pressures to make the best of fuel consumption.
- 6.6 Based on the actions within the Staff Travel Action Plan and by effective route optimisation, use of technology and driver training, the Council will;
- Improve route planning to minimise miles travelled
 - Reduce the total fleet diesel consumption over the lifetime of the Staff Travel Plan

Appendix A – Fleet Management Strategy