
REPORT TO:	ENVIRONMENTAL AND DEVELOPMENT SERVICES	AGENDA ITEM: 9
DATE OF MEETING:	17th NOVEMBER 2016	CATEGORY: RECOMMENDED
REPORT FROM:	MIKE HAYNES DIRECTOR OF HOUSING & ENVIRONMENTAL SERVICES	OPEN
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SUBJECT:	VEHICLE MANAGEMENT STRATEGY AND VEHICLE REPLACEMENT PLAN.	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE:

1.0 Recommendations

- 1.1 Committee recommends approval of the Vehicle Management Strategy and the vehicle replacement plan.

2.0 Purpose of Report

- 2.1 An internal audit identified the lack of a formal Vehicle Management Strategy as a weakness in the controls on the procurement and maintenance of vehicles, plant and associated equipment. This report asks for approval of the Vehicle Management Strategy and the associated vehicle replacement plan, which will form a framework for developing policies, plans and procedures for the management 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 & Safety Regulations.
- 3.2 The Direct Services Manager 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 we 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 reviewing of developments and opportunities in alternative vehicle technologies including fuel types, and to consider these when implementing the vehicle replacement plan, to help minimise our impact on the environment and taking 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 and capital receipts are shown below.

	2016/17	2017/18	2018/19	2019/20	2020/21
Earmarked reserve	981,203	1,251,203	1,521,203	1,791,203	2,061,203
GF contribution	20,000	20,000	20,000	270,000	270,000
Capital Receipts contribution	250,000	250,000	250,000	0	0
Closing balance	1,251,203	1,521,203	1,791,203	2,061,203	2,331,203

- 4.2 The current estimated replacement costs of the fleet on outright purchased is £2.9 million. Based on a standard seven yearly programme this would equate to approximately £415,000 per annum. Some grounds maintenance vehicles will be funded from section 106 monies, the remaining shortfall between current estimates and the earmarked reserves will be bridged by sweating assets and varying the replacement programme to extend the life of vehicles beyond seven years where it is cost effective to do so.

5.0 Corporate Implications

- 5.1 The Vehicle 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.
- 5.2 If a decision is made to procure vehicles through contract hire we will look to retain maintenance in house, which could generate an income to the council. Any decision to outsource maintenance could put a number of employees at risk.
- 5.3 The fleet is provided to enable staff to deliver operational services on a day to day basis and make essential journeys. Vehicle users will be required to identify their operational needs prior to vehicles being procured on their behalf. Satisfaction levels with the service and support offered by the vehicle workshop will be assessed on a regular basis to ensure that user needs are being met as effectively as possible.

6.0 Community Implications

- 6.1 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 are capable of running 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.

9.0 Conclusions

- 9.1 The Vehicle Management Strategy takes a holistic approach to how we procure, maintain and dispose of our vehicles, plant and associated equipment, ensuring that vehicles are seen as an important Council asset.