

EAST RENFREWSHIRE COUNCIL

CABINET

26 January 2023

Report by Director of Environment

FLEET ASSET MANAGEMENT PLAN 2023-2028

PURPOSE OF REPORT

1. To advise the Cabinet on the updated Fleet Asset Management Plan 2023-2028 (copy attached).

RECOMMENDATIONS

2. It is recommended that the Cabinet approves the Fleet Asset Management Plan 2023-2028.

BACKGROUND

3. The Council's Fleet Asset Management Plan has been updated to fit into the hierarchy of the Corporate Asset Management Plan and outlines the work being undertaken by the Council in relation to the management of fleet across its area.

REPORT

4. This Fleet Asset Management Plan seeks to provide a policy context for an overview of the scope, existing uses and current activities of our council fleet.

5. It identifies future actions and potential risks and seeks to provide a well-managed, and efficient fleet of vehicles.

6. The context for this plan is informed by a range of legislation, policy, plans and strategies. There are also a range of key drivers which serve to shape the content of the plan and these are mainly development issues, performance measures and future activities.

7. The plan highlights that fleet management and maintenance within the East Renfrewshire area is both progressive and efficiently managed. Increased emphasis on improving processes and using modern technologies will continue to have beneficial effects in reducing the environmental impact of our fleet.

8. There is now a greater coordination between strategic and operational Council Services which has helped develop a better understanding of the Council's assets in terms of condition, future requirements and associated financial expenditure.

FINANCE AND EFFICIENCY

9. The Fleet Asset Management Plan will be used to inform and prioritise future capital and revenue spend while detailing the costs associated with the maintenance of fleet and equipment. Core maintenance costs are met through the Councils revenue budget which is reviewed annually.

CONSULTATION

10. The Asset Management Plan has been jointly prepared by Transport, Vehicle Users Group and the Corporate Asset Management Group.

PARTNERSHIP WORKING

11. A number of activities within the Fleet Asset Management Plan demonstrate an established pattern of partnership working on the part of the Council. Key actions are detailed which will require continued collaboration with the Vehicle Users Group and key stakeholders.

IMPLICATIONS OF THE PROPOSALS

12. The Plan will enable a long term strategic and more informed approach to fleet management resulting in multiple benefits and value for money. This plan will have no negative impact on staffing, legal, IT or equalities.

CONCLUSIONS

13. With the continued pressure on budgets and expenditure, asset management is a critical tool in ensuring best use is made of available funding. The Fleet Asset Management Plan is a live document and will be continually updated to assist in this process and highlight improvements.

RECOMMENDATIONS

14. It is recommended that the Cabinet approves the Fleet Asset Management Plan 2023-2028.

Director of Environment

Further information can be obtained from: Andrew Corry, Head of Operations on 0141 577 3458 or andrew.corry@eastrenfrewshire.gov.uk

Convener contact details:

Councillor Owen O'Donnell,
Leader of the Council

January 2023

East Renfrewshire Council

Environment Department

Fleet Asset Management Plan

2023 - 2028

CONTENTS

1. Executive Summary
2. Introduction
Corporate Fleet Management
Fleet
3. Maintenance of Fleet
Workshop Vehicle Frequency
Workshop Equipment
Workshop Staffing
4. Corporate Objectives For Fleet
Fuel Capacity
5. Carbon Emissions Reduction
6. Fleet Performance
Current Fleet Performance
How do we Achieve these Results
7. Fleet for the Future, Governance and Structure
Current Investment and Sales Procedure
Financing Investment in Fleet
Transport Scotland Grants
Governance and Structure
Ownership of Fleet Asset Management Plan
Operational Challenges and Communication
Procurement
8. The Next 5 Years and Beyond
Future Capital Spend
Future Needs and Challenges
9. Performance Improvement Plans
10. FAMP Priority Actions and Risk Register

1. Executive Summary

This Fleet Asset Management Plan covers the period 2023 – 2028 and seeks to provide a Policy context for an overview of the extent, purpose and current activities of our council fleet. It identifies future actions and potential risks and seeks to provide a well-managed, environmentally conscious fleet of vehicles.

It is aligned with the overarching Corporate Asset Management Plan (CAMP) which in turn is aligned to council aim, objectives and delivery of priorities.

This Asset Management Plan delivers benefits across all Council outcomes:

- Early Years and vulnerable young people
- learning life & work
- Economy and Environment
- Safe, supportive communities
- Older people and people with long term conditions

2. INTRODUCTION

The Fleet Asset Management Plan (FAMP) is one of a suite of strategic documents that collectively define, control and improve the management of Council assets. It has been developed in accordance with the Council's Corporate Asset Management Plan and summarises East Renfrewshire Council's aims and objectives for our assets to ensure that they are used in an effective and efficient manner.

➤ **Corporate Fleet Management**

Corporate management of the Council's Fleet Asset portfolio is central to the Council's Transformation agenda and will include:

- Oversight of day to day Fleet management, including maintaining and repairing existing Fleet assets
- Improved investment decisions for Fleet and better alignment with the Council's wider objectives
- Acquiring new Fleet assets that are well designed and fully meet service needs
- Reduced cost and risk
- Identifying and disposing of surplus Fleet assets
- Effective management of leases and licences
- Ensuring that the Council's Fleet asset base is used as effectively and efficiently as possible across all Council Departments.

➤ **Fleet**

East Renfrewshire Council Fleet currently consists of 180 Vehicles with a value of £7,843,119 and a replacement value of £8,886,683. The main vehicle users consist of:

- Neighbourhood Services – Recycling and Refuse Collection Vehicles, Street Cleansing, Sweeping equipment, Specialist moving equipment, light and heavy vans, Grass cutting equipment and Tractors.
- Education – Transportation of additional Support needs children to and from ERC School.
- Environment – Housing Maintenance, Country Park Rangers, Highways, Roads & Tenancy, light commercial and specialist operational vehicle needs.
- HSCP – Fleet cars and buses to support, Rapid Response, Day centres and Resource Centres.
- Electric Fleet of Pool Vehicles – to support ERC Employees from Thornliebank Depot, Council HQ, Barrhead Main Street Office and Eastwood Health Centre.
- Community Safety – Community Warden vehicles and 4x4 provision.

3. Maintenance of Fleet

Service and maintenance of the fleet is completed in house in the vehicle workshop. The vehicle workshop provide a number of very important regulative duties on behalf of the councils fleet users. The workshop also conduct taxi test and MOT's for all East Renfrewshire licenced approved taxis holders.

➤ Workshop Vehicle Frequency

- Heavy Goods Vehicles : Serviced 6 Weekly
- Buses & Street Cleaning Vehicles : Serviced 8 Weekly
- Light Commercial Vehicles and Plant : Serviced 12 Weekly

➤ Workshop Equipment

The Vehicle Workshop is a DVSA approved MOT station for light commercial good vehicles. In house MOT's are conducted on council fleet assets once a year to comply with roadworthiness and environmental standards – and to that end contribute to the government road safety strategy.

- DVSA Approved MOT station
- Vehicle Brake Axil Test machine
- 2 x Vehicle Inspection Bays
- 2 x Vehicle Inspection Lifts

➤ Workshop Staffing

- Workshop Supervisor
- Workshop Support Supervisor
- 2 x Mechanic
- Workshop Engineer
- Neighbourhood Services Senior Workshop Operative
- Neighbourhood Services Workshop Operative

4. Corporate Objectives for Fleet

The Primary Role of the Neighbourhood Services Fleet service is to provide vehicles that serves the operational needs of East Renfrewshire Council's User Departments.

➤ Aims

- To ensure the most efficient use of resources, and provide and maintain an appropriate level of support to users
- To maintain appropriate levels of operational vehicle availability
- To strive for best value in fleet management and maintenance operations
- To maintain an appropriate degree of flexibility to adjust to the changing operational demands that the Council will face now and in future.
- To facilitate an appropriate long term plan to manage the vehicular assets of East Renfrewshire Council
- Move to align with national targets to phase out petrol and diesel vehicles from our public sector fleet

➤ Fuel Capacity

Within Thornliebank Depot a bunkered fuel provision is kept onside for vehicle user's needs. Thornliebank depot is allocated 24 hour security allowing for vehicles to be fuelled at all times of the day. This is particularly important during the winter gritting season. Within the bunkered fuel Adblue is held. Adblue is a diesel exhaust fluid used in vehicles to reduce harmful gases being released into the atmosphere.

- 70,000 Litres Diesel
- 2,000 Litres AdBlue

5. Carbon Emissions Reduction

The Scottish Government declared a climate emergency in April 2019. It has set several targets to reduce emissions from the transport sector which contributes a large part of the country's total carbon emissions. For the public sector, these targets include:

- Phasing out petrol and diesel cars by 2025
- Phasing out the need for new petrol and diesel light commercial vehicles from 2025 onwards.
- Phasing out the need for new petrol and diesel heavy duty vehicles from 2030 onwards (Vehicles with a gross vehicle weight of more than 3.5t or passenger transport vehicle of more than 8 seats buses and coaches)

Neighbourhood Services will work closely with vehicle user departments to ensure that as technology advances the fleet and operational needs are kept in line with Scottish Government policy changes. The Energy Saving Trust recently compiled a Fleet Decarbonisation Report on our behalf which has set specific goals moving forward to help East Renfrewshire become a Net Zero Council both for our fleet assets.

This is an opportunity for East Renfrewshire Council Fleet Services to promote innovation whilst challenging existing practices to improve Fleet Asset Management across the Council. Within such a high profile, highly technical and heavily regulated area, it is forecast that several alterations to current practice will become evident over the next five years. These areas may be driven by operational practices, central government initiatives, good practice, legislation or environmental concerns.

6. Fleet Performance

A key objective of the Fleet Asset Management Plan is to identify the current performance levels being achieved by the service. Performance indicators have a fundamental role to play within a strengthened performance management regime for the corporate running of the Councils' assets.

The Council has established a range of key performance targets for Fleet assets that are both relevant, measurable and fit with national performance benchmarking. In addition, the Council will continue to develop local performance criteria in accordance with corporate standards and work to continually improve service provision in accordance with the needs of the community. Performance Indicators will be reviewed regularly to ensure the information provided is relevant and assists with Fleet management decisions.

Fleet performance is reported annually upon entry to the APSE Performance Network Awards, representing the benchmarking service for UK local Councils. Fleet performance is also reported on the Pentana reporting and monitoring tool as part of the Outcome Delivery Plan.

➤ Current Fleet Performance

- First in class standing in APSE benchmarking
- Overall UK Best Performer 6 Times (2005, 2011, 2013, 2014 and 2020, 2021)
- Consistently high credit rating for Council Operators License
- Consistent green rating with Operator Compliant Risk Score (OCRS)
- 100% of Fleet drivers trained in SAFED (Safe and Fuel Efficient Driving).

➤ How do we achieve these results

The Council's Fleet data is collected, recorded and monitored using three different management systems:

- Tranman Series 9 Fleet management
- WebFleet Telematics system
- Fuellink fuel management system

Fleet data is reported on a monthly basis to departments and management.

Civica's Tranman Series 9 is a comprehensive fleet management solution, comprising fleet and asset administration and management, driver documentation, accident and risk management reporting, hire and leasing orders, work authorisation, vehicle workshop and stores management information.

WEBFLEET allows the Council to monitor Fleet performance data in real time, locations and data trends from KPIs are all accessible on an easy to read dashboard. WEBFLEET's extended set of reports provides the Council with a detailed view on the

Fleet operation using the Address report, Trip reports, Logbook to Working time reports and much more. The data from this system is live and reported on monthly to User Departments.

Fuellink is an internet based fuel management system that secures fuel against unauthorized use; the software enables the Council to monitor and control all elements of fuel management. The data is initially entered manually at the vehicle pump by the driver of the vehicle. This is then converted by FUELtran to allow instant, real time access to the vehicles, drivers, stock and fuelling information 24 hours a day, 7 days a week. This system also allows fleet to monitor additional fuel usage such as Adblue.

7. Fleet for the Future, Governance and Structure

The Council operates a 5 year capital purchase replacement policy for most categories of vehicles to ensure the most cost effective operation of our assets. The policy considers the following factors:

- Condition
- Mileage
- Age
- Whole-life costings
- Environmental targets

➤ Current Investment and Sales Procedure

In 2022/23 there is a planned investment of £1,394,375 which represents 21 new vehicles across the Council. It is the responsibility of each Department to identify their operational need and to ensure sufficient budget to accommodate their replacement programme. The replacement programme has been developed in accordance with optimum replacement timing principles, based on whole of life costs which is worked out on Tranman 9.

Estimates of vehicle residual values are factored into whole-life costing calculations, so that vehicle disposal is considered from the beginning of the Council's operational planning. Vehicles identified for disposal will be fully assessed to determine the requirement for replacement and levels of service and see what options are available for alternate service delivery, if any.

End of life vehicles are sold at Auction to get the best competitive price for the fleet. 21/22 vehicles sales total £85,650K, the proceeds from which are put back into the fleet capital account.

➤ **Financing Investment in Fleet:**

The Council will continue to consider all potential procurement routes for future purchase, along with any other suitable/innovative forms of funding, in circumstances where such arrangements maximise value for the Council.

The Council has had a long running Policy to purchase fleet vehicles rather than lease and a financial option appraisal is regularly undertaken to identify the most cost effective funding method for East Renfrewshire Council vehicle acquisitions. This means that a capital or revenue receipt at disposal is achieved and the arrangement allows for more flexibility during the life of the vehicle. Any enhancements to vehicle condition or capability are to the benefit of East Renfrewshire Council rather than the lease company.

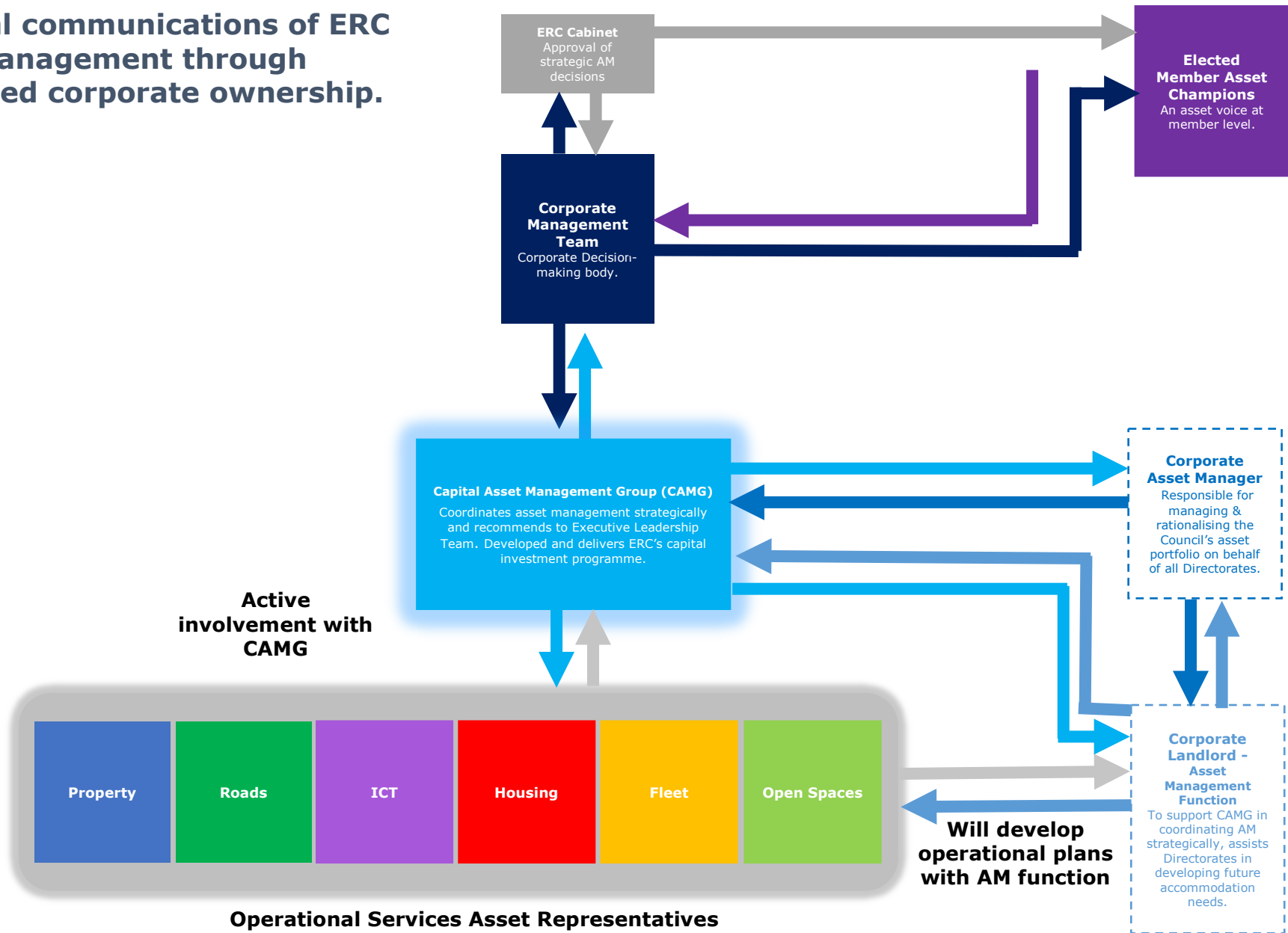
➤ **Transport Scotland Grants**

Over the last 10 years the Council has made use of a Transport Scotland Funding Grant. This was firstly used to secure Hybrid vehicles, and more recently fully electric vehicles. With the Scottish government investment in zero emissions vehicles East Renfrewshire Council annually is able to add to the existing electric vehicle fleet that will be used within all departments. In 22/23 extra Transport Scotland funding was granted to increase East Renfrewshire depot infrastructure with £55,180.

➤ **Governance and Structure**

East Renfrewshire Council has created an integrated corporate ownership model for the management of Council assets. This model ensures that all service needs, as well as those of local residents are considered when strategic decisions are being made. The figure below details the principal governance structure within East Renfrewshire Council for asset management

Principal communications of ERC asset management through integrated corporate ownership.



➤ Ownership Of Fleet Asset Management Plan

The Fleet Asset Management Plan (FAMP) will be a live document, controlled by the Operations Manager and the Neighbourhood Services support – Transport Lead.

Main Function of these roles:

- Distribution to appropriate staff, members and the public
- Monitoring of improvement actions and the implementation plan
- Authorising the updates to the plan

The persons charged with the delivery of this FAMP and their roles within the process are detailed below:

Position	Role
Head of Service (Operations)	Owner of the FAMP.
Operations Manager and, Neighbourhood Services Support – Transport Lead	Oversight, ensuring that all appropriate information is collated and passed to the relevant parties involved in the asset management process.
Principal Officer Asset Management and the Corporate Landlord Manager.	Assists with coordinating information to deliver a comprehensive document of assets, their upkeep, usage and future running costs.

The FAMP will be reviewed and updated annually, as a minimum, with key processes linked to the budget cycle the Corporate Planning process.

➤ Operational Challenges and Communication

A part of the Neighbourhood Services Fleet function is to host vehicle user group meetings with all of the vehicle stakeholders to identify future needs and operational requirements. Effective communication is critical to the successful implementation of the FAMP, and as we move forward with delivery it is recognised that communication and consultation will be key to our success.

Recent Changes within Operational needs has meant fleet has had to adapt and fit the needs of our user departments: Examples:

- Additional Refuse Collection Vehicle Purchased for the delivery to additional houses within ERC
- Additional School Education bus required to facilitate additional routes for Isobel Mair Family Centre.

- HSCP fleet review with 12 x pool cars and electric vehicles purchased.
- Switch to electric vans for Community Wardens and Print Room Service.

➤ Procurement

The Scotland Excel framework is used for purchases of heavy goods vehicles. The Council also makes use of the Government Procurement Fleet Portal which is a framework agreement for light commercial vehicles.

Procurement of vehicles will continue to follow best practice. The Council's Procurement Strategy is designed as a framework for the Council to obtain best value in all its procurement activities. All procurement decisions are made using whole life costing principles which spans from the identification of the operational needs of the user department.

Within Fleet there is an ever evolving challenge with technology and innovation to find the best way to net zero for fleet vehicles. Neighbourhood Services fleet will continue to test vehicles with demonstrators in conjunction with the user departments to see if the new technology's meet there operational needs.

8. The Next 5 Years and Beyond

➤ Future Capital Spend

The annual capital expenditure for Fleet over the next five years is detailed below:

22/23	1,394,375
23/24	£1,902,000
24/25	£1,439,000
25/26	£871,000
26/27	1,384,000

Fleet GPRS System

21/22	0
22/23	0
23/24	85k
24/25	35K
25/26	70K

Expenditure in Fleet reflects the demands of service users which results from the service delivery models adopted by each individual service.

➤ Future needs and Challenges

Moving forward there is many challenges facing the industry over the next period. Challenges in the forthcoming strategy period will be to embrace new technology within our fleet and to support likely changes to working practices across many of our operational areas

Our fleet is a vital component in delivering frontline services to the residents of East Renfrewshire and for many, our fleet is the most immediate visual representation of the Council's services, and therefore must demonstrate quality and effectiveness.

➤ Challenges

- Converting the vehicle workshop to digital working
- To attain DVSA Earned Recognition for Operators Licence.
- Maintaining highly trained and qualified workforce capable of meeting the challenges of innovative and emerging technologies.
- Ensuring that the primary users are aware of innovations and new technology solutions which maximise use of the fleet and minimise operational costs.
- Continuing to work closely with Transport Scotland and Energy Saving Trust with Investment opportunities within Fleet.

➤ Improvements

Improving the performance of Fleet Asset Management within East Renfrewshire Council will be based on data held within the Council's Tranman Series 9 Fleet management system, WebFleet Tomtom Telematics and Fuellink systems. Parameters, criteria for classifications and weightings of data have been set to enable performance data to be compared and trends identified. The adequacy of these parameters and weightings will be reviewed and if need be amended annually throughout the life of this plan.

Future performance monitoring should cover a wide area of different indicators and include both the supplier of the service and the user/operator. These indicators will be used to improve service provider and user performance ensuring efficient and effective use of the Council's assets through better utilisation of all Fleet Vehicles and also demonstration of best value.

9. Performance Improvement Plans

Name of Plan	Introduce Low Emission Vehicles into Capital Replacement Programme
Description	
<p>Currently East Renfrewshire Councils Electric fleet has been funded by Scottish Government Grant awards and as a result are not part of the councils capital programme.</p>	
Contextual Information	
<p>Currently 52 vehicles on the Capital Replacement programme qualify to be replaced into Low emissions vehicles by the 2025 deadline.</p> <p>ERC will ensure all technology is tested with the user departments to meet operational needs.</p> <p>Neighbourhood Services will work closely with the Get to Zero Manager to work towards adherence with the Scottish government targets.</p>	
Relevant SOA Outcome	
<p>Efficiency Intermediate Outcome: <i>Residents benefit from cost effective and efficient services that comply with financial and legislative requirements.</i></p>	

Name of Plan	Maintain Council Fleet to maximise use
Description	
<p>The transport section will put in place a service and MOT schedule that will allow our fleet a minimum amount of unscheduled down time, maximising the available usage of all Fleet.</p>	
Contextual Information	
<p>The Council has a Fleet of approximately 160 vehicles of which approximately 50 are Large Goods Vehicles and 110 are smaller vehicles.</p> <p>Vehicle Maintenance will be required to service Large Goods Vehicles every 6 weeks, buses every 8 weeks and all small fleet every 12 weeks.</p> <p>The service is committed to getting a large proportion of its fleet through an MOT at its first attempt.</p>	
Relevant SOA Outcome	
<p>Efficiency Intermediate Outcome: <i>Residents benefit from cost effective and efficient services that comply with financial and legislative requirements</i></p>	
Milestones	
<ul style="list-style-type: none"> • Have a service schedule in place for all Council Fleet • Attempt to get 100% of MOTs passed on first occasion • Maintain Operator Licence high Operator Compliance Risk Score 	

10. FAMP Priority Actions

The following Action Plan identifies the activities that need to be carried out not only corporately across all service, but also activities that are specific to each of the services, in order to ensure a robust asset management approach across the Council.

Ref	Capital Asset Management Actions	Owner	Timescale	Progress (%)	Comments
AMP1	Introduce digital office and paperless depot	NSSM – Transport Lead	Complete by April 2024	50%	A number of digital streams and systems have already been commenced.
AMP2	Comply with 2025 and 2030 legislation on carbon emission requirements on different classes of vehicles	NSSM – Transport Lead	Complete by 2025 and 2030	5%	Requires corporate guidance on future fuel source for vehicles.
AMP3	Train and Qualify our workshop employees to be capable of meeting the challenges of innovative and emerging technologies	NSSM – Transport Lead	Complete by April 25	40%	Mechanics to be trained on IRTEC Accreditation
AMP4	Regulatory Compliance : Achieve Earned Recognition operator from DVSA	NSSM – Transport Lead	Complete by April 2024	10%	Reliant on discussion and digital communication with DVSA.

➤ **Risks**

Risk Status S/C/N (Same, Changed, New)	Risk Number	Risk (Threat / Opportunity to achievement of business objectives)	Risk Control Measures (Mitigations) current In place	Likelihood (Probability)	Impact (Severity)	Risk Score	Proposed Risk Control Measures (Mitigations)	Date for completion	Re-scored Likelihood (Probability)	Re-scored Impact (Severity)	Re-scored Risk Score	Risk Owner
N (03/09/2021)	1	WAITING TIMES FOR VEHICLE PROCUREMENT Current waiting times for Chassis & parts are 12-16 months due to stock and shipping regulations.	Liaison with Procurement, reviewing alternative supply, where possible.	3	3	9	Review of purchasing strategy, considering earlier commencement of buying new vehicles & maintaining stock of key parts.	Completed	2	2	4	Neighbourhood Services
N (03/09/2021)	2	COSTS FOR VEHICLE PROCUREMENT Costs for vehicles and parts have significantly risen due to inflation on vehicle components.	Internal Capital funding not available to procure new vehicles.	3	4	12	In consultation with Finance discuss procurement options and increased capital requirements.		3	3	9	Neighbourhood Services
N (03/09/2021)	3	VEHICLE CHARGING INFRASTRUCTURE Limited space and power within the Depot will preclude an extensive move towards EV's.	Consider additional or alternative premises, which may be at a substantial capital and ongoing	3	3	9	Consider alternative fuel source to Electricity e.g. Hydrogen		3	2	6	Neighbourhood Services

		emissions ambitions.	revenue cost.									
N (03/09/2021)	4	FUNDING Use of Transport Scotland funding to lease vehicles leaves the council with products that are not assets. There is a risk that when leases expire, the vehicles will be returned and the Council will need capital to replace.	Continue to maximise Scot Gov grants where available	3	2	6	Consider cessation of pool cars in future years		2	2	4	Neighbourhood Services
N (03/09/2021)	5	HGV DRIVERS A national shortage of HGV Drivers, coupled with delays to DVSA processes risks the Council facing significant challenges in recruiting and retaining appropriate talent for key frontline service delivery.	Continue to train HGV drivers from within	4	3	12	Consider pay grades of HGV drivers relative to current market		3	3	9	Neighbourhood Services

