

PRESENT AND FUTURE OF THE FLEET

Committee name	Property, Highways and Transport Select Committee
Officer reporting	Steve Gunter, Procurement & Commissioning
Papers with report	N/A
Ward	All

HEADLINES

This report provides detail around the composition of the Councils fleet, the key challenges within fleet and future decision making around the fleet replacement programme.

RECOMMENDATIONS

That the Committee notes the content of the report.

SUPPORTING INFORMATION

FLEET COMPOSITION

The table below shows the present fleet including Council owned, hired vehicles and the means of propulsion.

Description	Owned	Hired	ICE Internal Combustion Engine. I.e Diesel	EV Electric Vehicles	Hybrid
26T RCV	31	1	32	0	0
18T RCV	1	1	2	0	0
12T RCV	5	0	5	0	0
Large Sweepers	6	0	6	0	0
Small Sweepers	10	0	10	0	0
Grab Lorries	4	0	4	0	0
Caged Tippers	33	0	33	0	0
Tippers	37	6	43	0	0
Highways Tippers	6	1	7	0	0
Large Vans	14	0	14	0	0
Medium Vans	36	16	52	0	0
Small Vans	30	10	40	0	0
Pool Cars	8	1	1	3	5
Large Machines	1	3	4	0	0
Minibuses	32	4	36	0	0
	254	43	289	3	5

Classification: Public

Property, Transport and Highways Select Committee – 9 April 2024

FLEET CHALLENGES

The main challenge for Fleet relates to driver behaviour and avoidable fleet damage. Avoidable fleet damage is costing the Council more than £800k per annum. Costs are incurred on all vehicles but the majority, c.80% relate to Waste & Street Cleansing operations. The 80% is broadly in line with expectations given the number, size and functions of those vehicles.

The cost of fleet damage has been under review by fleet management for some time and the reasons for the increasing costs are wide and varied:

- Data & Management Oversight – Historically, the data has not been available to provide sufficient management oversight and enable the correct decisions to be taken. This has improved significantly over the last 12 months with the purchase and installation of new ‘tracker’ devices and improved reporting.
- Ownership – Vehicles and associated budgets are managed by Fleet Team although vehicles are used by operational service areas thus creating a disconnect in ownership, especially related to costs.
- Nature of the Fleet - The nature of a municipal fleet and the range of vehicles being operated, and the tasks being undertaken mean this is very different from an average ‘road’ fleet undertaking the same function day in and day out. Hillingdon vehicles operate in challenging operational environments where damage is more likely to be incurred.
- External Factors – The cost of operating any vehicle continues to rise and specifically costs related to insurance, repair & maintenance. This has inevitably fed through into the cost incurred by LBH for repair of its own vehicles and those subject to insurance related claims.
- Culture - The current ‘job and finish’ approach to work scheduling in some teams within the Council offers operational flexibility but can lead to a precipitance to finish. This inevitably contributes to the increase in fleet damage although to what extent is unknown. There are other aspects of culture including the use of agency drivers with established support crew that leads to pressure on drivers and further contributes to fleet damage.

A regular Fleet Forum comprising operational and senior managers is now in place to help address the issues and drive down the costs being incurred. One of the outputs of this forum is a combined insurance/damage reporting report which requires the operational teams to record actions taken for incidents costing more than £1000. The forum ensures specific instances of damage are monitored although it is not yet translating into demonstrable outcomes.

The Fleet Team are also engaging with other boroughs with similar fleets and operating conditions to determine a benchmark of how Hillingdon's performance compares.

Driver behaviour is closely connected to fleet damage although offers a broader perspective on how driver performance can impact on fleet costs. The new tracking devices offer a range of data including harsh braking, fast cornering, excessive acceleration, speeding incidents etc. The

system takes all this data to produce a EEDI (Eco Efficient Driver Index) score for the drivers that is used to monitor overall performance and specifically used in regular discussions with the poor performing individuals. Improvements have been seen from this action. The EEDI score is a leading indicator of fuel consumption and wear and tear on vehicles. Inevitably, vehicles driven with a higher EEDI score will have commensurately better fuel consumption. With an annual fuel spend of c.£1m per annum, a 10% reduction can have sizeable budget benefit.

With a fleet of 297 vehicles and the associated costs of acquisition, maintenance, repair and operation there is always a need to consider the utilisation of the fleet – i.e. Are we using the vehicles in a way that maximises its value? Much progress has been made on this over the past few years with decisions taken to hire Winter Gritters for 6 months of the year rather than own outright. Equally, the refuse vehicles are now supplemented in the summer using hire vehicles for green waste collection. A review is also underway to review Green Spaces winter fleet on the basis there will be opportunity to reduce during the winter months. Good progress has been made on fleet utilisation in the last 18 months with 4 vehicles removed from the fleet and arrangements in place to hold underutilised vehicles in pool arrangements for use across departments as required.

FLEET REPLACEMENT PROGRAMME

The Council has a cyclical vehicle replacement programme to ensure that the fleet maintains an optimum balance of cost and reliability. This involves replacement of vehicles on average after 7 years.

There are currently 90 frontline service vehicles which have reached the end of their serviceable life and are now subject to daily ULEZ fees. All the vehicles are in their ninth year of operation, reliability is falling, and the maintenance costs are growing beyond what is economic to maintain. The need to hire temporary vehicles whilst repairs take place further exacerbates the cost pressures of older vehicles.

Whilst there is agreement that replacement vehicles are required, LBH has for the first time, a viable choice between electric and diesel replacements.

In this phase of purchasing the working recommendation is to replace 32 vehicles with electric equivalents and the balance with diesel. This decision is based on a number of factors including location and availability of charging facilities for operatives, speed of charging, charging infrastructure including grid capacity at council facilities, pay load, costs, range and maintenance. The acquisition of 32 vehicles will allow Fleet and user teams to develop their operational understanding of how a greater number of EV vehicles could be operated and maintained in the future.

It must be noted that major investment will be needed in electrical power supply to Harlington Road depot to support future growth in the electric vehicle fleet.

In terms of other heavier and non-standard vehicles, the electric market is less well developed in terms of options, but the Fleet Team continue to test options when they become available. Over the past few months, this has included trails of an electric powered 26T Refuse Collection Vehicle

and a small sweeper. All trials have concluded with positive results and will be factored into future considerations when the existing fleet vehicles need replacement.

PERFORMANCE DATA

None at this stage.

RESIDENT BENEFIT

The operation of a safe, effective and efficient fleet supports the delivery of front-line council services including, waste services, street cleansing, housing repairs and transportation services.

Financial Implications

There are no direct financial implications associated with this report.

Legal Implications

None.

APPENDICES

NIL.