PRESENT AND FUTURE OF THE FLEET

Committee name	Corporate Resources and Infrastructure Select Committee
Officer reporting	Steve Gunter, Fleet Manager
Papers with report	Appendix A: Damage by service area year on year Appendix B: Vehicle replacement programme
Ward	All

HEADLINES

This report provides detail around the composition of the Council 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	4	0	4	0	0
Minibuses	32	4	36	0	0
	257	**40**	**289**	**3**	**5**

FLEET CHALLENGES

The main challenge for Fleet relates to driver behaviour and fleet damage. Combined 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 remains under ongoing review by fleet management with actions continuing to be taken. Reasons for the high costs are wide and varied:

- Data & Management Oversight – Historically, 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 18 months with the purchase and installation of new 'tracker' devices and improved reporting. Further steps are underway with the Councils Digital and Intelligence team to improve reporting further using Power BI tools.

- Ownership – Vehicles and associated budgets are managed by the Fleet Team although are used by operational service areas thus creating a disconnect in ownership, especially related to costs. To ensure cost of vehicle damage is borne by those who use the vehicles, Officers are reviewing recharge arrangements related to fleet damage.

- Nature of the Fleet - The nature of a municipal fleet, 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. In order to manage this, fleet are increasingly involving manufacturers in final specifications for vehicles. A recent example of this is new machines purchased for use at New Years Green Lane depot where the manufacturers observed operational practice and suggested some changes to the specification which would improve longevity, reduce damage and increase performance.

- 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.

A Fleet Forum comprising operational and senior managers is in place to help address the issues and drive down the costs being incurred. One of the outputs of this forum is combined insurance/damage reporting 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 tracking devices offer a range of data including harsh breaking, 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.£480k per annum for the Refuse Collection Vehicles, a 10% reduction has provided a saving of c £48k over the year.

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 has been carried out on the Green Spaces 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. In some cases, fleet wear & tear is such that vehicles only have a feasible working life of 5 years. This would be typical of small sweepers. In other situations vehicle life can be stretched over 10 years where vehicles have been subject to lower usage over their life – eg Youth Services Bus.

There are currently 96 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 and ensure ongoing service provision adds pressure to fleet budgets.

Whilst there is agreement that replacement vehicles are required and this has been approved at September cabinet, 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 few small sweepers. Electric versions of larger vehicles are significantly more expensive to purchase (eg an electric EV is c. £480k compared to a diesel equivalent £203k) and more detailed analysis will take place at the time of purchase to understand total life cost of each option and the legislative frameworks at the time. All trials of EV's 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

BACKGROUND PAPERS

NIL