

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny
DATE	11 May 2015
DIRECTOR	Pete Leonard, Director
TITLE OF REPORT	Update on Progress of Action Plan for Fleet
REPORT NUMBER	CHI/15/160
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

Following on from the Traffic Commissioner's public inquiry into the Council's Goods Vehicles Operators Licence in December 2014, this report provides an overview of the work undertaken to address the outcomes of the inquiry and to improve service delivery.

2. RECOMMENDATION(S)

That the committee;

- i. note the contents of the report.
- ii. instruct the Head of Public Infrastructure and Environment to update future meetings of the Communities, Housing and Infrastructure Committee of progress made on the Fleet Services Action Plan.

3. FINANCIAL IMPLICATIONS

There are no direct financial implications resulting from this report. It is the case, however, that costs will result from the actions taken to make Fleet Services and the council compliant with current legislation and regulations; and to ensure that the council is operating within the conditions and terms of its "Goods Vehicle Operating Licence".

4. OTHER IMPLICATIONS

There are clear implications for the Council's management of risk in relation to public and employee safety; management of vehicles, plant and equipment; and business continuity. If suitable progress is not made to manage the operation of the fleet, there may be prosecutions and fines to be paid. Sanctions open to the Traffic Commissioner include warnings; the reduction in the number of vehicles that can be operated or the number of operating centres through to revoking the license in its entirety.

5. BACKGROUND/MAIN ISSUES

A report, CHI/15/135 on “Fleet update following the Public Inquiry on 19 December 2014”, was presented to the Audit, Risk and Scrutiny committee held on the 26 February 2015. The committee instructed the Head of Public Infrastructure and Environment to update future meetings of the Communities, Housing and Infrastructure Committee of the progress made on the Fleet Services Action Plan.

5.1 Context

The Office of the Traffic Commissioner is responsible for the regulation and licensing of heavy goods vehicles, by the Driver and Vehicle Standards Agency (DVSA).

In July 2013, the Commissioner issued Aberdeen City Council with a warning letter relating to the maintenance of its fleet. This was followed in January 2014 by an investigation and the identification of a number of problems relating to the service.

Little progress was made by the service during 2014 to improve the way in which it operated and to address the problems identified. The Corporate Management Team was not aware of the involvement of the Commissioner or of the requirement for the Council to improve compliance in order to meet the conditions of its operator’s licence.

On 1 October 2014, the management of the Council’s fleet moved under the responsibility of Mark Reilly, Head of Public Infrastructure and Environment and became a part of the new Communities, Housing and Infrastructure Directorate.

On the 3 October 2014, the Council received notification from the Commissioner that due to ongoing concerns and a perceived lack of progress a public inquiry would be held into the Council’s Goods Vehicle Operator’s Licence. The Inquiry was to include consideration of the arrangements for safety inspections; vehicle maintenance; annual test history; prohibitions; and the role of the official nominated as transport manager on the licence and the support given to him to undertake his duties.

At this time, Angela Scott placed the Fleet Service into special measures under the direction of Mark Reilly; instructed a complete root and branch review of the service and that officers implement whatever is necessary to improve service compliance, delivery and performance.

5.2 The Public Inquiry

At a public inquiry there are a number of options open to the Traffic Commissioner which range from further warnings through to revoking the

licence in its entirety. Other sanctions include the reduction in the number of vehicles that can be operated or the number of operating centres.

The Chief Executive, Director of Communities Housing and Infrastructure, Head of Public Infrastructure and Environment and the Fleet Manager attended the Inquiry held on 19 December 2014 in Aberdeen.

The outcome of the Inquiry was as follows:

- The Council was given until the end of January 2015 to put in place effective procedures to address the concerns identified by the previous investigations. After which time the Council would be subject to two unannounced visits by the “Drivers and Vehicles Standards Agency” (DVSA) to inspect vehicles and records; to ensure that the Council vehicles are roadworthy and that effective systems have been put in place to ensure compliance with the licence.
- The Commissioner reduced the number of vehicles*1 on the licence from 124 vehicles to 111 vehicles. The Commissioner stated that if vehicles were stopped by DVSA and/or the Police vehicles and faults were found or drivers in breach of legislation then the licence would be at risk. The Commissioner also stated that any MOT failure would also put the licence at risk.
- The Council was instructed to attend a future hearing with the Traffic Commissioner on 12 May 2015 to present further evidence to demonstrate that vehicles are being maintained to ensure road worthiness and that effective measures are in place to meet the requirements of the licence.

**1 Vehicles listed on “the licence” are those which need a goods vehicle operator’s licence. This is where a business uses goods vehicles above a certain weight. You need a licence to carry goods in a lorry, van or other vehicle with a gross plated weight (the maximum weight that the vehicle can have at any one time) of over 3,500 kilograms (kg).*

5.3 Progress Update – 3 April 2015

A detailed action plan is now in place detailing the specific work being undertaken to improve the efficiency and effectiveness of the service. The action plan is being governed by Mark Reilly as Project Sponsor. The information in this section, provides an a summary of the actions completed to date.

5.3.1 An external Team of consultants has been appointed to manage the Fleet Service in the interim period and with the following remit:

- To resolve the problems relating to compliance with the Council’s Goods Vehicle Operators Licence
- To operationally manage and control the systems and processes relating to compliance
- To develop and implement quality management procedures, processes and systems which meet ISO 9001:2008

- To design and deliver a plan for wider service transformation of the fleet service

5.3.2 In the absence of the Fleet Manager, two of the consultants alongside Mark Reilly have been added to the Council's Operators Licence. It is intended that a third consultant will be added to the Council's Operators Licence.

5.3.3 A root and branch review of the service has been completed to analyse the cause of the issues and to identify remedial action both in the short and longer term.

5.3.4 All procedures and policies have been reviewed to ensure that the council is compliant with its Operator's Licence; that the procedures are fit for purpose; and to ensure appropriate checks and audits systems are put in place to ensure that compliance is being met.

The following is in place:

- Compliant vehicle records
- Compliant vehicle maintenance and inspection records – 10% monthly audits with any issues identified addressed straight away
- Compliant driver walk round check records – 10% checks by supervisors – this is where we are seeing the biggest improvement because this picks up any repairs needed before there is a bigger problem
- Compliant external maintenance provider agreements / contracts
- Compliant procedures for tyre and wheel management – big improvements in this area as part of workshop superintendent audit
- Health and safety risk assessments – 15 completed between workshop and the yard now with consultation with trade unions
- Compliant operating centres (depots named on the "Operators Licence" from which heavy goods vehicles operate).
- Procedure for the management of hired vehicles
- Procedure for the management of the Operators Licence and reporting changes

It will be necessary to review these procedures to ensure that they are working effectively and to identify current and future training requirements.

In addition, by the end of April the following will also be in place:

- Compliant driver management records
- Compliant procedures for ensuring that loads are secure. This may require the purchase of new equipment or minor adaptation of some the vehicles.

5.3.5 An internal audit was commissioned and is nearing completion. The purpose of the audit is to 1) identify and check all vehicles, plant and equipment owned by the Council 2) to recommend a corporate governance structure to ensure effective management of Fleet compliance.

5.3.6 Work is underway in developing a quality management system for the service which meets ISO 9001 criteria. This involves identifying, reviewing and recording all current processes and procedures. The review will involve the staff and also assess the need for change.

5.3.7 The “Tranman” fleet management IT system has been substantially developed and its use as a tool optimized across the service with the following key developments:

- Touch screens linked to the system have been installed in the workshop and are now being used by the mechanics to access, record and manage work.
- The MOT and servicing schedule for O Licence vehicles has now been locked down to be compliant with regulatory timescales.
- The invoicing procedure has been improved decreasing the time it takes to invoice customers for work completed.

5.3.8 As part of the wider service transformation work, progress is being made in developing a customer led robust procurement system for the purchasing and disposal of all vehicles, plant and equipment. Within this, work has been undertaken to review current orders against service requirements and a contract is being put in place for the disposal of end of life vehicles. Working with internal customers, this approach will ensure the delivery of the right specification of fleet, plant and equipment at the right time and prior to orders being placed.

5.3.9 A “Drivers handbook” has been prepared for goods vehicles alongside a training matrix. Members of the project team will now cross check actual training completed against this matrix and action where required. The “Drivers handbook” is to be distributed to all

5.3.10 Phase 1 alterations for the fleet shed have been scheduled for late May/early June. This will involve general improvements to working conditions including within the garage space painting; flooring; improving lighting; and herringbone parking arrangement. Further larger scale improvements are currently being defined in-line with service transformation planning.

5.4 What next?

A compliant, effective and efficient Fleet Services is business critical and the transformation from its current service delivery standards must be a priority for Aberdeen City Council.

It should be noted that whilst significant improvements have been made across the fleet service since October 2014, a substantial amount of work is still required to bring the service up to the desired standard and to maximize the potential opportunities on offer to the greatest extent.

A wider service transformation plan for post May 2015 is currently being developed and will be reported to the Communities, Housing and Infrastructure Committee along with progress in general at the next committee meeting.

6. IMPACT

Successful implementation and delivery of a robust vehicle management and health and safety management system will reduce risk to the council and ensure compliance with the council's "Goods Vehicle Operator's Licence".

A corporate approach to all processes undertaken in terms of inputs and outputs is required. A sustained and systemic approach covering the Plan, Do, Check and Act will be the core elements of managing compliance.

The level of success will be dependent on the attitudes and behaviours of the employees within the council.

To improve a proactive positive vehicle management and health and safety culture will require effort from all levels within the council by visibly displaying and enforcing positive core behaviours; and challenging unsafe behaviour in a timely way.

7. MANAGEMENT OF RISK

There are clear risks associated with the maintenance of the council's vehicles, plant and equipment and in how the council manages its drivers and operators. These are:

- a) Risks to business continuity in relation to not meeting the conditions and requirements of the Councils "Goods Vehicle Operators Licence" which could result in the licence being revoked and the Road Maintenance and Waste Collection operational services having to be procured from the private sector.
- b) Increased risks to public and staff through failure to safely maintain vehicles, plant and equipment; and also the failure to ensure the effective management of drivers and operators. The measures that

have been put in place and those being developed to improve the existing fleet and operational services will mitigate these risks.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

Mark Reilly
Head of Public Infrastructure and Environment
mareilly@aberdeencity.gov.uk
Tel: 01224 523910