

ABERDEEN CITY COUNCIL

COMMITTEE	Communities, Housing and Infrastructure Committee
DATE	17 May 2016
DIRECTOR	Pete Leonard
TITLE OF REPORT	Corporate Fleet Management Performance and Compliance - Update
REPORT NUMBER	CHI/16/080
CHECKLIST COMPLETED	YES

1. PURPOSE OF REPORT

At a meeting of the Audit, Risk and Scrutiny Committee on 25 June 2015 an audit report on Fleet Governance was presented by PWC. The committee made a recommendation about service performance - "that the health and safety aspects would be reported to Corporate Health and Safety Committee and all other performance issues would be reported to Communities, Housing and Infrastructure via the Performance Indicators".

To ensure that meaningful information is reported to both committees which will facilitate sustainable and on-going governance of fleet compliance and performance; the service is continues to develop a robust performance framework for the monitoring, analysis and reporting of improvements made across the Service.

This report provides for members of the committee the progress to date on developing a suite of performance indicators to report to this committee at each of its meeting.

Reports to both this and the Corporate Health and Safety Committees are still very similar in content. This is due to most of the work undertaken to date has been about improving compliance. Whilst it is intended to reach a high level of compliance in the council, further work is required to improve service effectiveness and efficiency. All service improvements must be undertaken without compromising corporate compliance.

2. RECOMMENDATION(S)

That the Committee:

- (i) notes actions taken and measures put in place in Fleet Services, for monitoring performance of corporate Fleet Compliance.
- (ii) The Committee agrees to the frequency of this report to move to every 6 months.

3. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report. All improvements to Fleet Compliance and relevant training given to ensure vehicle compliance will be made within the overall Communities Housing and Infrastructure budget.

4. OTHER IMPLICATIONS

This report sets out actions taken to address specific areas for improvement of working operations to ensure compliance with the councils "Operators Licence" and all other associated vehicle and health and safety legislation.

The main purpose of goods vehicle operator licencing is to ensure the safe and proper use of goods vehicles and to protect the environment around operating centres.

5. BACKGROUND/MAIN ISSUES

5.1 Context

The council received notification on the 3 October 2014, from the Traffic 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. There were two hearings of the Public Inquiry held on the 19 December 2014 and the 12 May 2015.

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

The outcome of the hearing on the 12 May 2015 was as follows:

- That the Public Inquiry before the Commissioner for Scotland concluded on 12 May 2015.

- The Operator's Licence* has been curtailed to 111 vehicles. The trailer authorisation is unaffected.

** 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).*

The Traffic Commissioner indicated that if there was to be an increase in the authorisation under the licence then a form of variation would be required. If an application for an increase, or any other licence changes, is lodged DVSA are likely to inspect the levels of compliance of the service and report those findings to the Traffic Commissioner prior to the Commissioner giving considering whether to grant the licence increase or change.

The current number of vehicles on the "O" Licence is 105

During and following the Inquiry, work has continued to improve service compliance, delivery and performance. Special measures are no longer in place and although compliance has improved considerably there is still a significant amount of work required to improve service performance.

5.2 Progress Update

The second phase of improvement across the Fleet Service continues with the aim of addressing the longer-term efficiency and effectiveness of the service. This work continues to be governed by Mark Reilly as Project Sponsor and ongoing improvements led by the Fleet Services Manager. The main current issues under review are Accident / Insurance claims and External Hire procedures. The information in this section provides a summary of the key work completed to date.

5.2.1 Developing the Fleet Team

Following a successful recruitment campaign, three new members of staff have joined Fleet Services. With the aim of creating a new level of management capacity and capability which will shape future operating structures the new Fleet Manager (Senior Service Manager Level) began work on 1st March 2016; the new Fleet Compliance Manager started on 18th April 2016 and the Fleet Business Support Officer who started on the 8th February 2016 are both currently working on stage 2 of the new staff structure for Fleet delivery.

Fleet Manager has currently started the recruitment process to replace mechanics for staff that have left the service; which will reduce the current supply of agency mechanics.

Once the full Team is in post, the Fleet Programme will be redefined in order to build on the work that has taken place so far and to maximise the efficiency and effectiveness of the Service as a whole. Implementation of new procedures are ongoing with the new Fleet Manager and Business Support Officer who are currently reviewing past and present systems and procedures with a view to making the service more efficient.

5.2.2 Training and Development

The Fleet Training and Development Programme for staff operating Council vehicles continues to be delivered. Since the start of 2016, the following training courses have been made available and carried out:

- Operators Licence Awareness training courses 2015 / 2016 –Trained 262
- First Use Check courses Jan / Feb / March 2016 – Trained 71
- Drivers licence course Jan 2016 – Trained 16
- LGV drivers CPC courses arranged Jan / Feb / March 2016 - Trained 49
- Loads & Loading July 2015– Trained 4
- Faun / Zoeller – Bin Lifting equipment 2016 – Trained 12 Workshops
- Jet Patcher April 2016 – Trained 1 Mechanic

During November and December 2015, a team of Service Managers and Team Leaders from across different operational areas of the Council undertook the Certificate of Professional Competence for Transport Managers (Road Haulage) (CPC). This CPC qualification is a legal requirement of the operator licensing system. The examination is notoriously difficult to pass with average a pass rate of between 40% - 50% being the norm. The exam is made up off two parts. Following an intensive course of learning seven officers sat the exam with three being successful on both parts and subsequently achieving their CPC. The remaining officers are being offered resits on one or both papers. One candidate is currently challenging their result.

It is intended that the council will have between seven and eleven officers with a CPC to give a level of business continuity and demonstrate understanding of the council's statutory obligations. Previously there was only one CPC holder on the councils licence; there should have been three to satisfy the terms of the licence (one qualified member of staff for every 50 "O" Licence vehicles).

After completing this training, the team will be better equipped with the understanding required to minimise risk and assist the council in managing future risks associated in compliance and safety across the operation of Council fleet in their service areas.

The ongoing checking of drivers licences continues across the Council and training undertaken with Service Managers in the use of reports and follow-up action.

The driver's handbook for minibuses has been distributed to the Public Transport Unit, Adventure Aberdeen and is being distributed to all schools within this remit.

5.2.3 Workshop Highlights

Engaging and involving staff in making improvements to how the workshop operates continues to be a priority. Regular meetings are held with the staff to get their feedback and suggestions and to look at how the workshop can be further improved.

To date there have been 3 meetings, progress is being made and employee participation is improving.

Vehicle Workshops refurbishment is to commence week 02.05.16. This work will include painting within the garage area; improved flooring; improved lighting; and improved electrics; and herringbone parking arrangement. The work will take 32 weeks to complete.

5.2.4 Fleet Compliance

Fleet compliance is continually reviewed and a number of systems are in place to ensure continued and continuous improvement in compliance. Driver and vehicle checks are being carried out on a regular basis. These checks are subject to a regular audit by the services. These service audits are being carried by supervisors, mechanics and, on a regular frequency, by an external company.

The current OCRS to date 10.04.16 is Roadworthiness band Green 00 (MOT) and Traffic band Amber A05 (Roadside checks)

5.2.5 Procurement

The implementation of the fleet replacement and disposal programme continues. As part of this programme of work, robust service level agreements are being negotiated with suppliers. The initial procurement phase is going well for vehicles with a clear budget/strategy in place for each vehicle in service up to 2020 this includes the following:

Delivered:

- All Small Plant Items
- 25 Small Vans

Completed:

- Grounds plant tender all lots awarded during April - approx. £496k
- Compact sweeper tender pre-conditional awarded - approx. £360k
- Five vans purchased for fleet, pest control and play area staff - approx. £70k
- Six electric vans tendered and awarded in conjunction with a Scottish Government grant - 3 year lease - £52k

Planned:

- 6 mini buses across different departments
- 1 Telehandler
- 1 Saloon Car
- 1 White Lining Vehicle
- 4 RCV'S (Trade Lifts)
- 5 Precinct Sweepers
- 1 Minibus
- 2 Luton Vans

5.2.6 Fleet Finance

The review of the fleet budget continues with the Programme Management Office (PMO) taking an extended role in the project, leading on the financial work-stream. This is a critical work-stream for ensuring an effective financial management system is in place across the service. The PMO are merging the Fleet programme of work into one project.

A fleet life costing / budget model has been developed and approved by the Service and work is now focussed on using this model for building the budget across different service areas. Waste is the first area with the Team currently completing life costings against all classes of vehicles. It is expected for this work to be completed in mid-March.

5.2.7 Infrastructure Developments

Plans have been developed to make alterations to the office space utilised by the Fleet Service in order to improve the working environment for staff and to provide a more welcoming environment for customers.

The entrance hallway, canteen and office facility within workshop building have been decorated and a key fob entry system installed.

The refurbishment of the CPU area will commence May 23rd and completed by July 1st

5.3 Improvement in Service Governance

At a meeting of the Audit, Risk and Scrutiny Committee on 25 June 2015 an audit report on Fleet Governance was presented by PWC. The committee made a recommendation about service performance - "that the health and safety aspects would be reported to Corporate Health and Safety Committee and all other performance issues would be reported to Communities, Housing and Infrastructure via the Performance Indicators".

To ensure that meaningful information is reported to both committees which will facilitate sustainable and on-going governance of fleet compliance and performance; the service is currently developing a robust performance framework for the monitoring, analysis and reporting of improvements made across the Service.

A current suite of KPI's for Fleet have been proposed and are currently being developed. These currently are:-

1) MOT % First Time Pass Rate ('O' Licence Vehicles)

The YTD 2015-2016 there was a failure on three tests to date there has been 105 tests and 102 passes. The failures have been due to an internal failure in a break chamber and the other was due to the aim of the headlight. The break chamber failure occurred at the time of test and could not have been predicted. Both failures have been investigated and neither could have been detected prior to the test.

The break chamber failure attracted a prohibition notice.

The 3rd failure (PRS) was due to the Conspicuity markings / Tape being fitted too close to the stop lights, this was an original fitting by the supplier but not picked up at inspection.

The YTD (April) 2016-2017 there has been 5 tests with one failure for a fuel leak. This has been investigated and Additional items / checks have been added to the Quality control sheet to prevent further failures of this type and also improve the presentation of the vehicle at MOT Test.

O' Licence MOT Test - % First Time Pass Rate	
2014/15	89.00%
2014/15 National Average	82.25%
2015/16 Q1	100.00%
2015/16 Q2	95.83%
2015/16 Q3	95.00%
2015/16 Q4	95.46%
2015/16	97.14%
2015/16 National Average	84.70%
2016/17 Year to date	80.00%
2016/17 National Average	Not Available

Table 1: O' Licence MOT Test - % First Time Pass Rate

An YTD figure for Pass Rates is now included

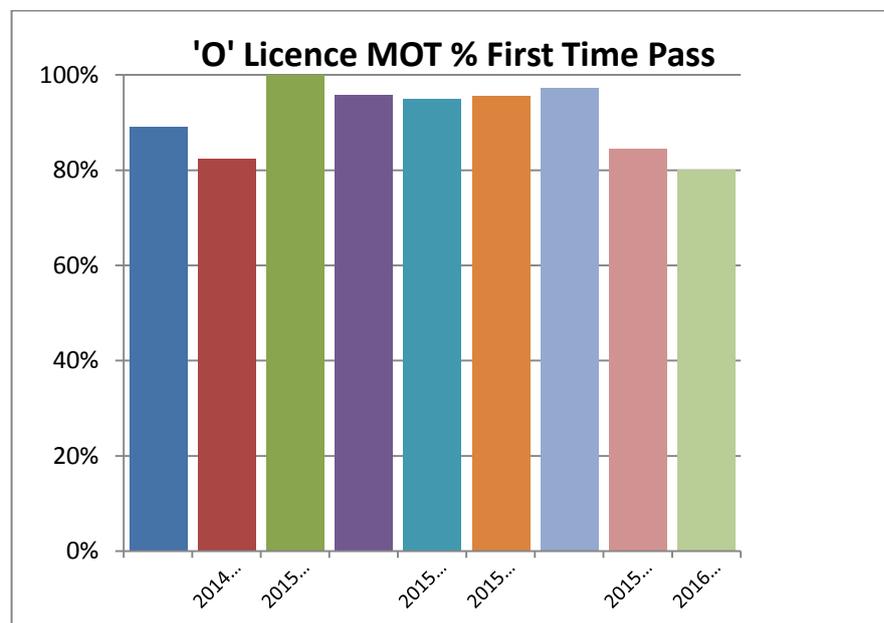


Chart1: O' Licence MOT Test - % First Time Pass Rate

- 2) Roadside inspections / resulting prohibitions. Roadside prohibition rate 2014/15 = 33%. 2015/16 = 12½%. There has been one further prohibition which resulted from the test failure caused by the brake chamber (which is in 15/16 figures). One Incident in March 2016

involved a Building Services vehicle (3.5Ton) being stopped by the police for over-loading, a prohibition was issued.

Roadside Inspections & Prohibitions	
2014/15	
Inspections	3
Prohibitions	1
2015/16	
Inspections	16
Prohibitions	2
2016/17 (to date)	
Inspections	1
Prohibitions	1

Table 2: Roadside Inspections & Prohibitions

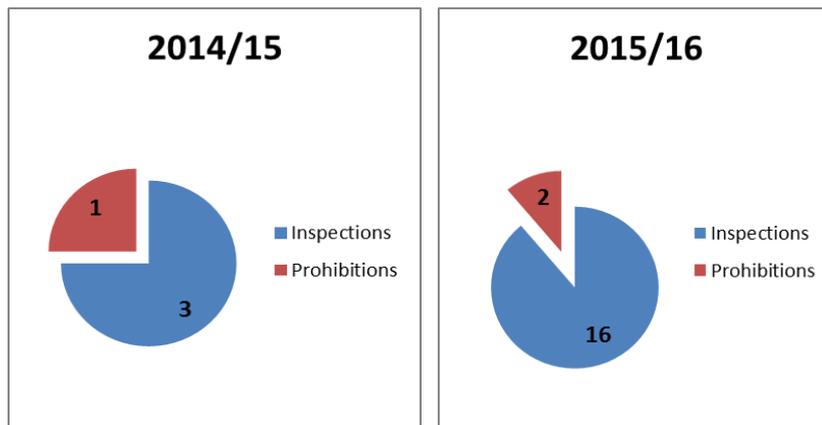


Chart 2a: Roadside Inspections & Prohibitions 2015/16

3) Value of Spare parts held as stock

Value of total stock held in stores has reduced in 2015 / 16 from £49,049 to £43,334 half way through the year. The figure at year to date is still reducing from £42,601 to £41,423. This reduction is mainly by the introduction of impress stock and removal of obsolete stock. The current stock is the same as the year end £41,423.

Spare parts held as Stock	
2014/15	£48,766
2015/16	£41,423
2016/17	£41,423

Table 3: Spare parts held as Stock

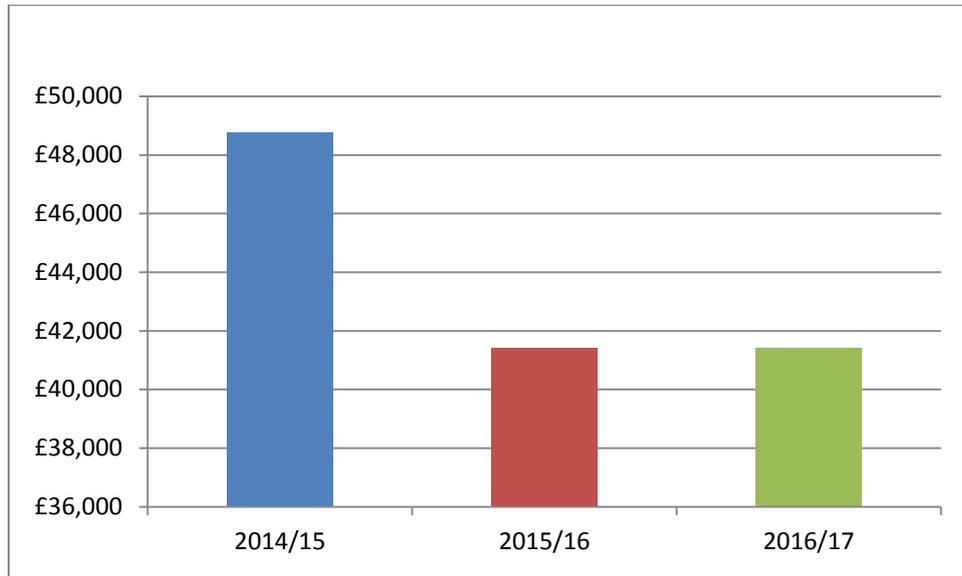


Chart 3: Spare parts held as Stock

4) Outstanding 'O' Licence MOT's/Inspections

This indicator shows the number of MOT and Service Inspections which showed as outstanding on the "Tranman" system at the end of each month. This is a check which the service carries out and is used to reconcile the system and to ensure that all service inspections and MOT's are carried out when due. It does not indicate that we are failing to service and MOT vehicles at the appropriate time. The one outstanding for March is a vehicle currently VOR away for a body repair at an external supplier (Jet Patcher)

Outstanding O Licence MOT & Service Inspections	
Apr-15	5
May-15	5
Jun-15	8
Jul-15	9
Aug-15	3
Sept-15	1
Oct-15	5

Nov-15	2
Dec-15	0
Jan-16	0
Feb-16	0
Mar-16	1
Apr-16	1

Table 4: Outstanding O Licence MOT & Service Inspections

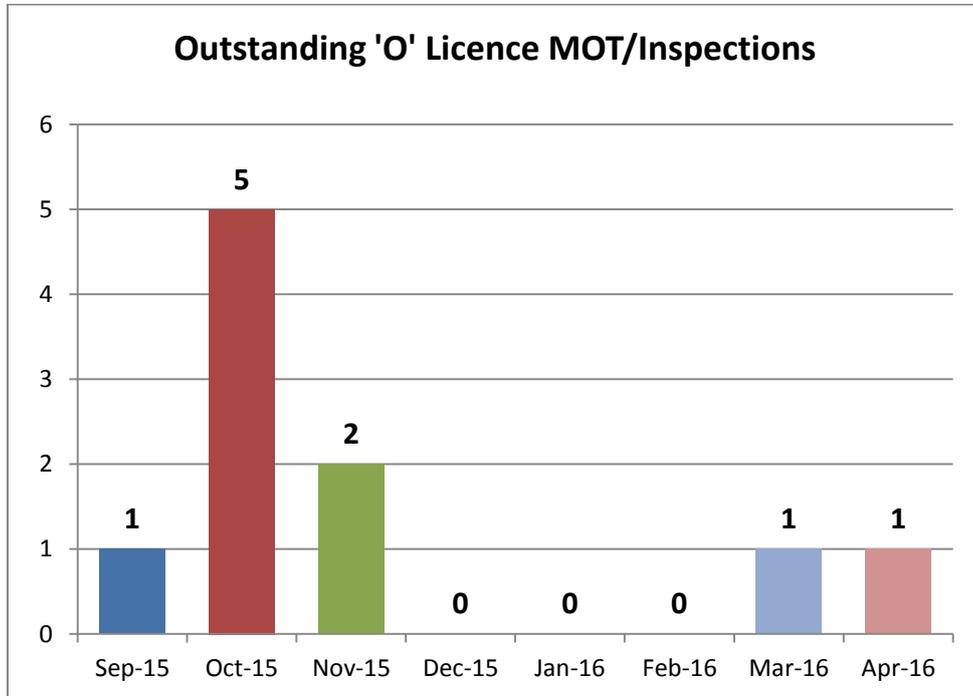


Chart 4: Outstanding O Licence MOT & Service Inspections

5) Vehicles over 5 years old

Vehicle “life” depends on a number of criteria and operating life may range from 3 to 7 years depending upon usage. There is an optimum time for vehicle replacement. It is likely that the older the vehicle the greater the cost of repairs and maintenance and the likely increase of vehicle downtime.

The age profile of the fleet continues to improve as end of life vehicles are replaced. The improvement is from 54.4% to 47.62%.

Vehicles over 5 years old - current	
Total Vehicles	504
Total over 5 yrs	240
Total not known	0
Total less than 5 yrs	264
% over 5 years	47.62%

Table 5: Vehicles over 5 years old – current

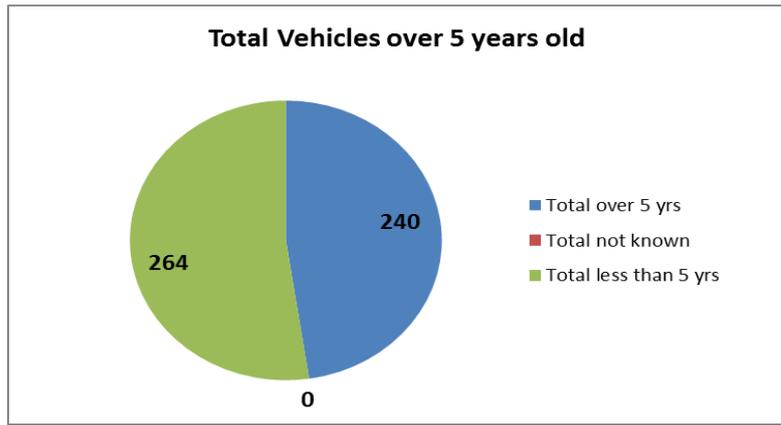


Chart 5: Vehicles over 5 years old - current

6) Number of Vehicles per Service

Number of Vehicles per Service		
Service	No	%
Building Services	144	28.57
Grounds	72	14.28
PTU	25	4.96
Waste	76	15.08
Roads	90	17.86
Facilities	5	0.99
Education	20	3.97
Other	62	12.30
Hydrogen Bus	10	1.98
Total	504	100

Table 6: Number of Vehicles per Service

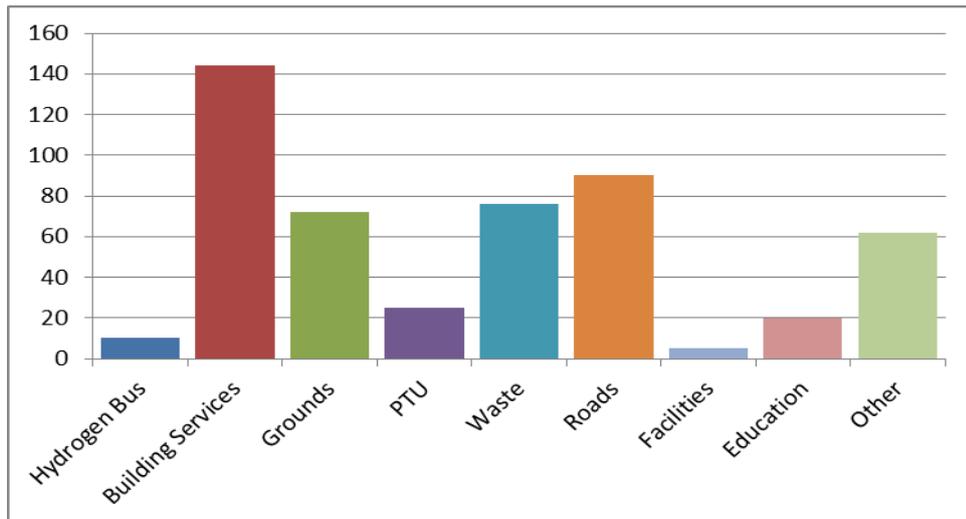


Chart 6: Number of Vehicles per Service

7) Licence Issues as % of Licence Checks

Drivers Licence Checks 2015/16	
No. of Drivers (4 Checks/driver/year)	715
% Drivers Checked	96.22%
Licence Issues as % of Checks	0.73

Table 7: Drivers Licence Checks 2015/16

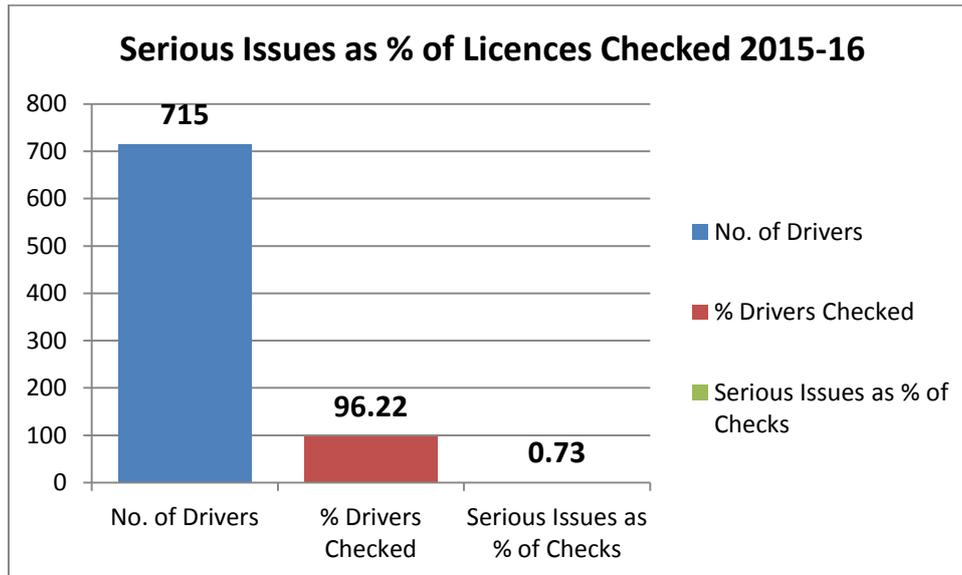


Chart 7: Drivers Licence Checks

Number of LGV drivers checked (4 times per year) for 2015/16 is 715, 0.73% issues are minor and not of a serious nature and are being monitored.

The KPI's developed to date for Fleet are based on information that we have currently available. It is intended to develop base information further so that other operational KPI's can be reported.

5.4 Vehicle Accidents / Incidents recording.

The service commenced recording vehicle, driver accidents and non-compliance incidents in February 2015. Since keeping these records it has become clear that there are a high number of incidents where vehicle and plant are damaged through accident or misuse. This impacts on the services in a number of ways through increased risk of a service health and safety incident; increased risk of vehicle / driver compliance incident; and increase in service costs. One Incident in March 2016 involved a Building Services vehicle (3.5Ton) being stopped by the police for over-

loading, a Prohibition was issued, the line manager was cautioned and the driver has a court appearance on the 9th May 2016. Since the incident Fleet with discussions with the service have advised the service will regularly weigh their vehicles on mobile scales and target the potential over - loads for vehicles near the border line and take the appropriate action to prevent further failures.

	Q1	Q2	Q3	Q4	2015/16	2016/17 Q1 to Date
Building Services	1	16	11	17	58	1
Grounds	8	37	21	20	99	23
PTU	2	5	4	3	16	0
Waste	18	39	32	27	141	3
Roads	3	9	7	5	27	1
Other	1	5	9	14	37	6
Total	33	111	84	86	378	34

Table 8: Accidents / Incidents per Service

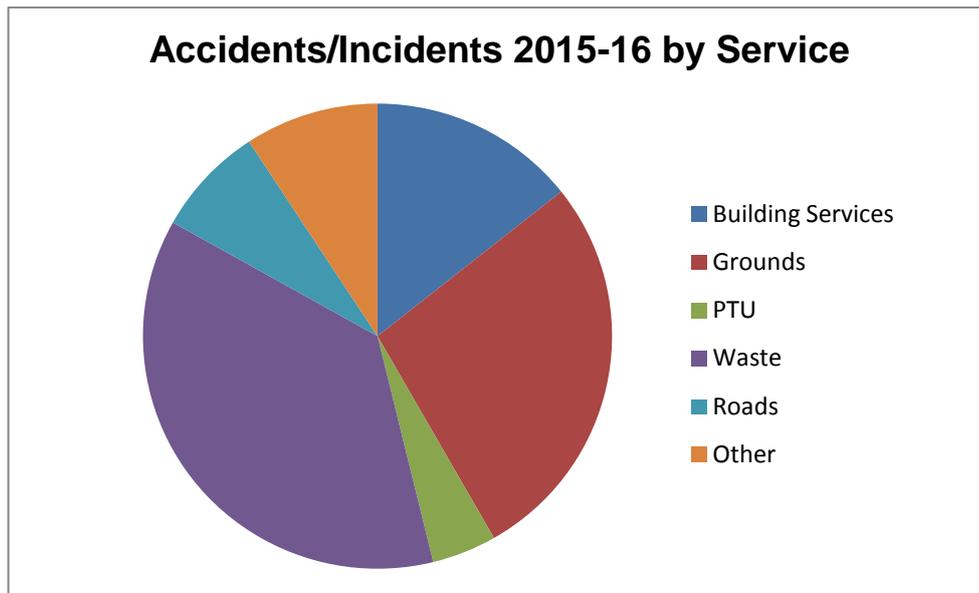


Chart 8: Accidents / Incidents per Service – 2015/16

It is expected that each incident is investigated in a timely and appropriate manner. To that end a record is kept on the performance of each service in meeting the investigation criteria. All incident reports are dated when sent out to the user department, if not returned by a certain time a reminder is sent out. On return the report will highlight any action taken if required by the user department.

Late Reports 2015/16 per Service

Building Services	23
Grounds	39
Waste	37
Roads	9
Other	10

Table 8a: Late Reports per Service – 2015/16

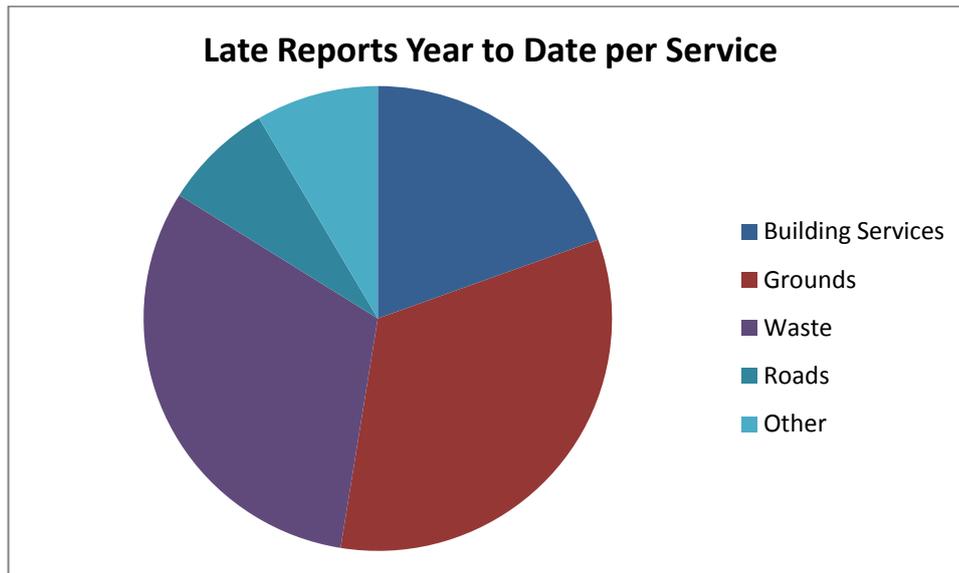


Chart 8a: Late Reports per Service – Year to Date

When sufficient data has been collected an analysis of the types of incidents and accidents will be undertaken to determine trends and consequentially any appropriate actions that need to be put in place.

The KPI's for accident/incidents per service measured are not all relating to vehicles. In certain services, for example Grounds, the majority of reports are for pieces of plant e.g. mowers, ride on mowers, tractors, strimmer's, trailers etc.

5.5 Vehicle Accidents - Motor Claims Experience

Following discussions with officers in our Insurance Services section; there is an emerging trend where poor fleet compliance practices impact adversely upon the councils motor claims experience.

Some of the facts regarding the councils motor claims experience:

- Claims experience has worsened in past 5 years; Insurance Premiums for Motor have increased a total of £215,000 (per annum) in the last four financial years.

- Majority of accidents involve reversing (and are preventable with the appropriate training and diligence from drivers)
- Time to notify claims has improved through Zurich First Response from 47 days (2010/11) to 9 days (2014/15) and continues to improve, currently 4.4 days for 2015/16 (YTD).
- Street Cleansing and Refuse collection claims costs make up 40.8% of the overall spend on claims over the last 5 financial years.
- The top 3 cost of claims come under the following departments: Street Cleansing, Refuse collection and Housing, making up 54% of the cost of claims
- The top 3 counts of claims falls to Refuse Collection, Housing and then Street Cleansing, accounting for 46% of the overall number of claims reported
- The top cause, representing 49% of registered claims and 39% of the cost of claims is hitting a parked vehicle or property

Number of Claims by Financial Year

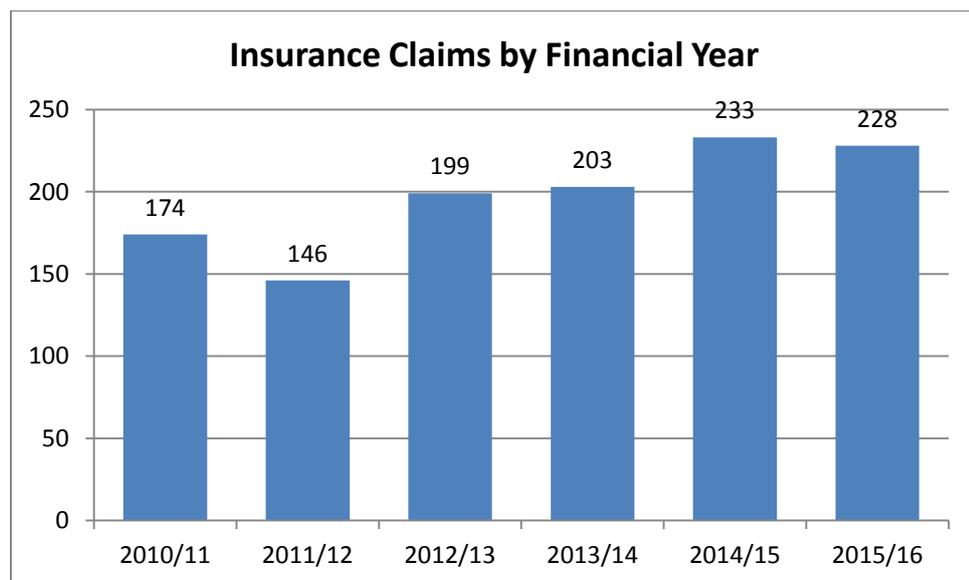


Chart 9: Number of claims by Financial Year

5.6 Summary

Effective Fleet Compliance is essential to the safe and efficient operation of front line services.

Since October 2014 there has been a major review of all aspects of Fleet Services and of Corporate Vehicle Compliance. The work focus has mainly been about ensuring that the Council was compliant and there has been a number of service initiatives commenced and implemented to assure compliance. This work is not complete and is on-going although

the focus on compliance is now about imbedding the procedures into day to day operations and ensuring that what is required from the services and employees is being met.

Other work has now commenced reviewing the efficiency of Fleet Services and how services utilise the fleet assets. The first part of this efficiency reviewed was a review of the organisational structure of Fleet Services. This has been carried out and recruitment to three of the main managerial posts has been completed with work being commenced to recruit to the remaining vacant posts. There is a need to implement these structural changes as swiftly as possible so that the service has capacity to support and continue with the work already undertaken in Fleet Management. There is also a requirement to build on this work to improve, not only Fleet Services, but the behaviours and cultures towards Fleet Compliance corporately.

Regular performance reporting to this and the Community, Housing and Infrastructure Committee will assist members in keeping a current awareness of performance trends in corporate vehicle compliance.

6. IMPACT

Improving Customer Experience – Effective and efficient management of Fleet Services and Fleet Compliance and Managing will reduce the risk of accidents and incidents involving our own staff and property and that of third parties.

Improvement in how Vehicle, Plant and Equipment assets are managed in partnership with user services should deliver incremental improvements in productive time for user services due to improved availability of these assets and assets that have been procured to meet the needs of that service.

Improving Staff Experience – Effective and efficient management of Fleet Services and Fleet Compliance and Managing will improve the utilisation of vehicle, plant and equipment assets in user services. Improving support and performance

Improving our use of Resources – Effective and efficient management of Fleet Services and Fleet Compliance and Managing will improve the utilisation of vehicle, plant and equipment assets by user services. Reduce costs of maintenance and repairs by ensuring that drivers and operatives are trained use the assets appropriately reducing the risk of injury to themselves, unfair wear and tear to the asset and additional costs through unnecessary repairs and down-time.

Corporate - Although not directly linked to the Single Outcome Agreement, effective health and safety and fleet management is an integral part of service delivery. There are no direct implications in regard to the corporate or public perspective arising from this report.

Public – This report will be of interest to the public as this report has come about as a result of a public inquiry by the Traffic Commissioner into Aberdeen City Council failure to meet the requirements of its “Operators Licence”.

7. MANAGEMENT OF RISK

The effective management of health and safety and fleet ensures compliance with legislation and is consistent with the vision to make Aberdeen a healthier and safer place in which to live and work. It assists in maintaining employees who are healthier, happier and better motivated, essential to the sustainability of high quality services.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

M A Reilly
Head of Public Infrastructure and Environment
mareilly@aberdeencity.gov.uk
01224 523096

W Whyte
Fleet Services Manager
wilwhyte@aberdeencity.gov.uk
01224 489312