

ABERDEEN CITY COUNCIL

COMMITTEE	Communities, Housing and Infrastructure Committee
DATE	November 01 2016
DIRECTOR	Pete Leonard
TITLE OF REPORT	Corporate Fleet Management Performance and Compliance - Update
REPORT NUMBER	CHI/16/232
CHECKLIST COMPLETED	N/A

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 and initiatives for improvement.

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. Health and Safety legislation requirements are also being addressed but not contained in this report.

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 108

During and following the Inquiry, work has continued to improve service compliance, delivery and performance. Improvements and changes implemented as per 5.2.1. 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

The Fleet Manager is currently working on stage 2 of the new staff structure for Fleet delivery; this will entail a Workshop Manager, Workshop Supervisor, Assistant Compliance Managers (2), Workshop Administrator and Fleet Support Assistants (2).

In addition, the Fleet Manager has recruited 4 mechanics and 1 apprentice for staff that have left the service. This will reduce the current supply of agency mechanics.

When 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. The Business Support Officer is currently working on ISO: 9001 within the office and the Fleet Manager has introduced a Wheel Torque procedure and Workshop Daily Log Book. The Fleet Manager also holds a daily catch up meeting with the Workshop Supervisor, Compliance Manager and Workshop Manager to assess the current situations within the workshop to aid the reduction of vehicle downtime. The Fleet Manager has also introduced a new procedure for containing the job card trail from issue to complete including a quality control check.

5.2.2 Training and Development

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

- Tachograph Simulator Training 2016 – 5 Courses – 34 Attendees
- First Aid – 7 (6 Mechanics) (1 Admin)
- Drivers CPC – 13 (Certificate of Professional Competence)
- Mot Tester Training – 1

Fleet has purchased a Tachograph Simulator and this is used where tachograph infringements are identified, by giving refresher training to drivers.

Fleet has carried out a skills assessment within the workshop and is now putting together a training matrix with the view to developing a training programme. This will improve the personal development of the workshop staff and increase the skills level within the workshop. The long term goal of Fleet Workshop is to have all staff fully IRTEC (Independent Technician Accreditation) accredited followed by the Workshop IRTEC (Institute of Road Transport Engineers Creditation) accreditation; this will come in line with industry standards which the large manufacturers and dealerships strive to achieve.

Currently, 1 Operations Coordinator from PI&E is sitting the CPC exam August 2016. Two previous candidates are resitting the exam.

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 council's licence; there should have been

three to satisfy the terms of the licence (one qualified member of staff for every 50 "O" Licence vehicles). Currently there are three names on the Licence with the intention to add a further two.

Following lessons learned from a Health and Safety compliance breach the current Drivers Defect report has been amended with an addition for the safe carriage and security of fuel. This involves the driver to check and sign when carrying small amounts of fuel to ensure the metal container is locked and secure at all times. A small number of fuel cans containing petrol are being transported in a van. They will be used on site by the driver or persons in his gang to fuel small plant such as a Chainsaw, Hedge cutter or a Strimmer.

Petrol is assigned a transport category 2, which permits carriage of up to 333 litres per transport unit (vehicle) without most of the carriage regulations applying (see example 1). However, it will still be necessary to comply with the packaging requirements.

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 5 meetings, progress is being made and employee participation is improving.

Vehicle Workshops refurbishment commenced on 02.05.16. The work will take 32 weeks to complete. Currently 50% of the workshop refurbishment is complete with a new Inspection pit and vehicle ramp. New lighting is fitted, "working at height" system is fitted to two areas, one at each side of the workshop, the floor on one side is painted with new lines lining.

The new pit and ramp has been received well by the mechanics and this is aiding the efficiency in the workshop by allowing safety Inspections to be done at a faster pace.

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 on all Fleet vehicles, vans and Mobile Plant, this also includes and hired in vehicles and plant.. 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.

Fleet has introduced a Torque Wrench Calibration 6 monthly check with an external supplier. An external supplier has also been engaged to carry out wheel and axle alignment checks for steering; this will help to reduce tyre costs by reducing uneven wear and early failure of tyre life.

Fleet are currently evaluating the maintenance paperwork with the view to reduce, consolidate and bring in line with current industry standards.

Fleet are to have an audit carried out on the maintenance files by an external company.

Fleet are to introduce quality checks through an external company to measure the general condition of the vehicle being operated. Inspections carried out before going into service measures the quality of the drivers first use check, vehicle condition after a safety inspection measures the quality of the workshop standards, Fleet also carry out condition checks on vehicles returning to base after being in service.

Fleet have introduced a Maintenance Assessments Audit on any supplier who carries out repair work on the council's vehicles.

The current Operators Compliance Risk Score (OCRS) to date (31.07.16) 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; these includes extended warranties, impress parts stock and enhanced service support. The Fleet Services Manager has introduced a Fleet Request Form which asks the service department to identify the needs for the replacing vehicle by analysing questions such as annual mileage, how often is the vehicle operated, where is the vehicle based, can the vehicle be pool shared with another department.

The procurement programme is on track for vehicles for year 2016, there is a procurement plan in place for all vehicles up to 2023 this includes the following:

Delivered:

- 6 mini buses across different departments
- 1 Telehandler
- 5 Precinct Sweepers
- 1 Minibus
- Five vans purchased for fleet, pest control and play area staff - approx.
- Six electric vans tendered and awarded in conjunction with a Scottish Government grant - 3 year lease
- Gully Emptyer 26 Ton (1)

Planned:

- 1 White Lining Vehicle (Out to Tender)
- 8 RCV'S (On order)
- 2 Luton Vans
- Sweepers 15 Ton (3)
- Relay Vans (9)
- Minibuses (3)
- Small Van (1)

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 is being developed by the Fleet Service Manager and Finance Department and this model will be used 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 2017.

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 refurbishment of the CPU area commenced on May 23rd the project is now completed with the Fleet Service Manager and Compliance Manager offices completed, kitchen area and the new reception area

completed. The Taxi area and the Licencing Office have the possibility to be co-located to opposite the reception.

A key fob entry system has been installed at the Fleet Workshop, this will improve the Health and Safety within Fleet by segregating visitors and employee's; and aid in the event of a fire evacuation. There is also a new information media screen fitted in the employee's canteen to improve communications to all staff.

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:- Tachograph Infringements, Gate House checks, Accident stats, Incident stats.

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

The YTD (April) 2016-2017 there has been 40 tests with 4 failures :- fuel leak, tyre cut, size of tyre, brake reading. These have 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	97.14%
2015/16 National Average	84.70%

2016/17 Q1	80.00%
2016/17 Q2	100.00%
2016/17 National Average	85.60%
2016/17 Year to date	90.00%

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

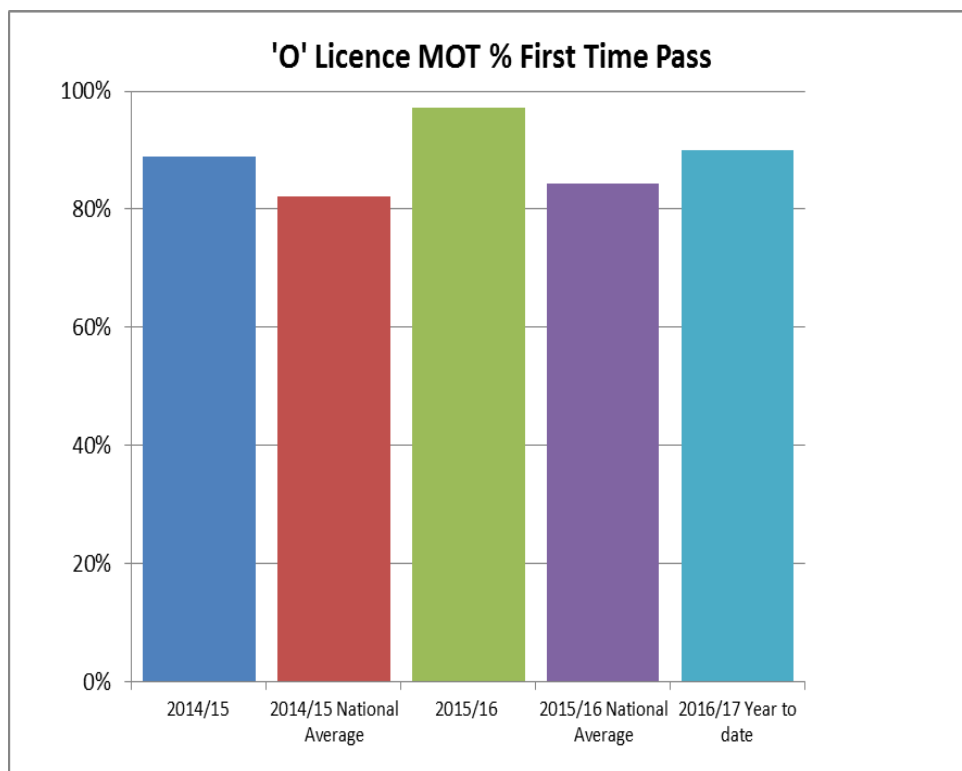


Chart1: O' Licence MOT Test - % First Time Pass Rate

- 2) Roadside inspections / resulting prohibitions. Roadside prohibition rate 2014/15 = 33%. 2015/16 = 12½%. 2016/17 = 100%. A prohibition which resulted from the One Incident in March 2016 involved a Building Services vehicle (3.5Ton) being stopped by the police for over-loading, a prohibition was issued. See actions taken 5.2, Year to-date there has only been one Roadside check. Another one received 14.09.16 for a Tyre with a cut to cords in it, investigation carried out.

Roadside Inspections & Prohibitions	
2014/15	
Inspections	3
Prohibitions	1
2015/16	

Inspections	16
Prohibitions	2
2016/17 (to date)	
Inspections	3
Prohibitions	2

Table 2: Roadside Inspections & Prohibitions

3) Value of Spare parts held as stock

Value of total stock held in stores has reduced from 2014 / 15 from £48,766 to £41,423 The figure at year to date is still reducing and is currently at £39,336. This reduction is mainly by the introduction of impress stock and removal of obsolete stock.

Spare parts held as Stock	
2014/15	£48,766
2015/16	£41,423
2016/17	£39,336

Table 3: Spare parts held as Stock

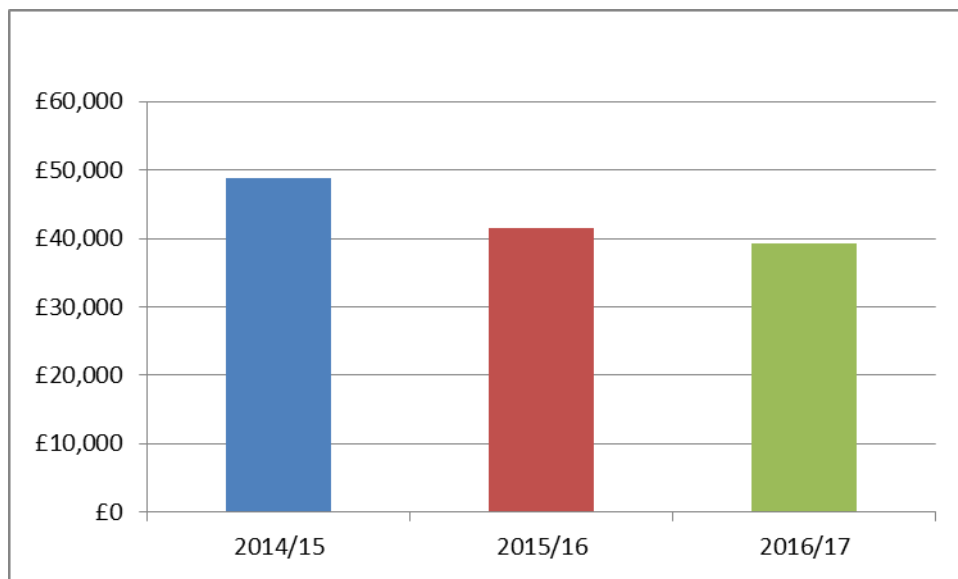


Chart 2: Spare parts held as Stock

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 table shows there has only been one vehicle which relates to a RCV (5229) which was involved in a thermal incident, there is an ongoing investigation and the Fleet Service Manager is waiting for feed back from Mercedes who are downloading the vehicles engine ECU (Engine Control Unit) for information. There root cause has not been determined and discussions with Mercedes and Zurich are ongoing.

Outstanding O Licence MOT & Service Inspections	
Apr-16	0
May-16	0
Jun-16	0
Jul-16	0
Aug-16	1
Sept-16	1

Table 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 the usage / type of work the vehicle is operating on, mileage and the size of vehicle ie small or large HGV. 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 41.48%.

Vehicles over 5 years old - current	
Total Vehicles	511
Total over 5 yrs	212

Total not known	0
Total less than 5 yrs	299
% over 5 years	41.48%

Table 5: Vehicles over 5 years old – current

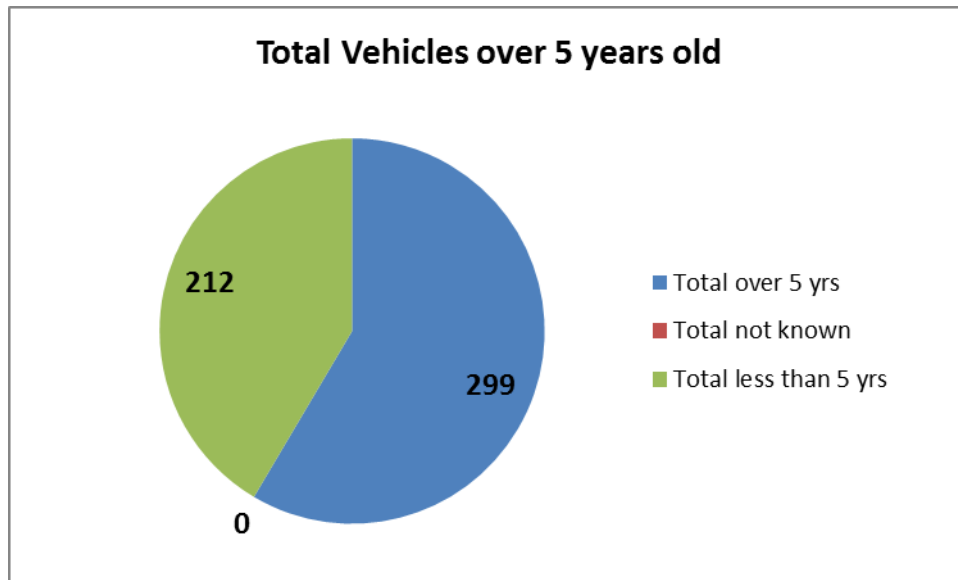


Chart 3: Vehicles over 5 years old - current

6) Number of Vehicles per Service

Number of Vehicles per Service		
Service	No	%
Hydrogen Bus	10	1.96
Building Services	150	29.35
Grounds	72	14.09
PTU	25	4.89
Waste	76	14.87
Roads	93	18.20
Facilities	5	0.98
Education	20	3.91
Other	60	11.74
Total	511	100

Table 6: Number of Vehicles per Service

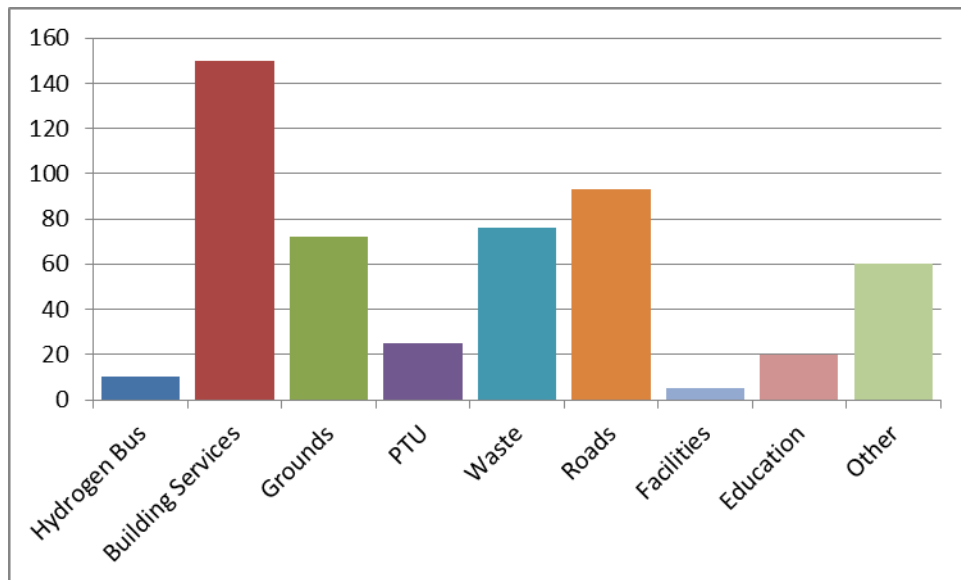


Chart 4: Number of Vehicles per Service

7) Licence Issues as % of Licence Checks

Drivers Licence Checks 2016/17	
No. of Drivers (4 Checks/driver/year)	191
% Drivers Checked	93.0%
Licence Issues as % of Checks	6.0%

Table 7: Drivers Licence Checks 2016/17

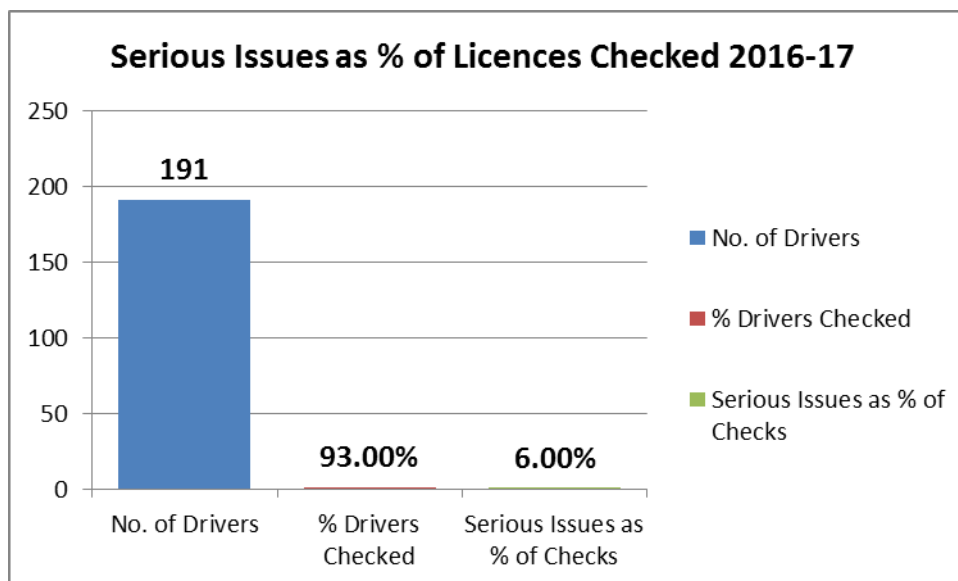


Chart 5: Drivers Licence Checks

Number of LGV drivers checked (4 times per year) for 2016/17 is 191, of which 6.00% issue. All these issues are in relation to points on licence. All drivers with 6/9 points on their licence 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. Future KPI's will include quality audits by external companies.

5.4 Vehicle Accidents / Incidents recording.

The service commenced recording vehicle, driver accidents and non-compliance incidents in February 2015. Both accidents and incidents are recorded on an individual basis through accident reporting and incident investigations, they are then collated on a master spread sheet and saved in the shared drive, these are then forwarded to the service department to carry out an investigation and take the necessary action. 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. The accident / Insurance procedure has been reviewed by the Business Support Officer and discussions with Zurich (Insurance supplier) on ways to reduce the excess payment and high Insurance cost by implementing changes to procedures and Fleet taking a more direct control from start to finish.

Service	2015/16	Q1	Q2	Q3	Q4	Total
Grounds	99	23				23
Waste	141	3				3
Roads	27	1				1
Building Services	58	1				1
PTU	16	0				0
Other	37	6				6
Total	378	34				34

Table 8: Accidents / Incidents per Service

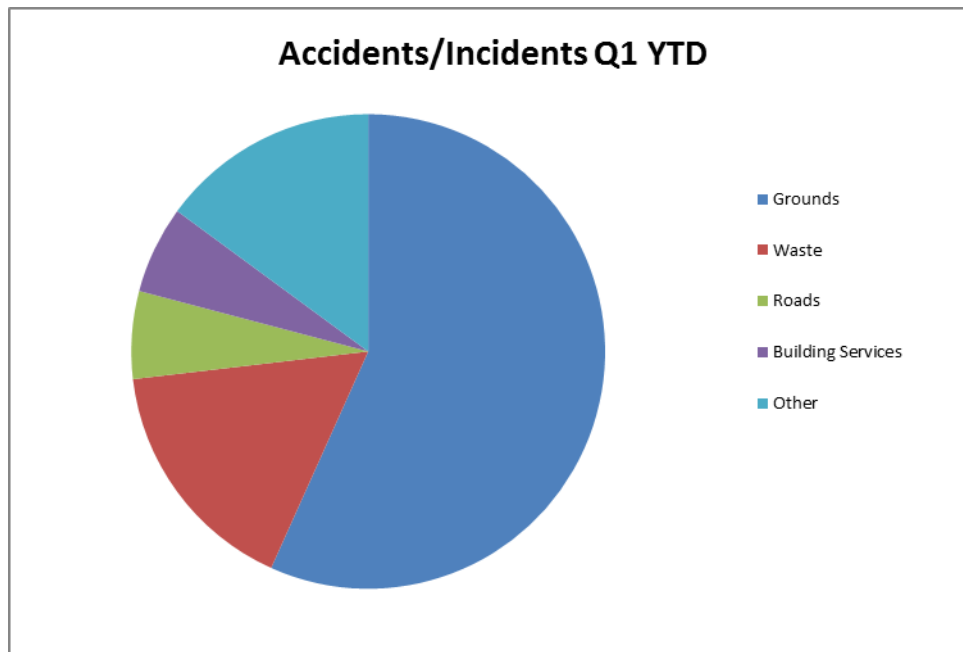


Chart 6: Accidents / Incidents per Service – 2016/17

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		Late Reports 2016/17 per Service
Building Services	9	7
Grounds	5	29
Waste	14	3
Roads	0	2
Other	6	10
Total	34	57

Table 9: Late Reports per Service – 2016/17

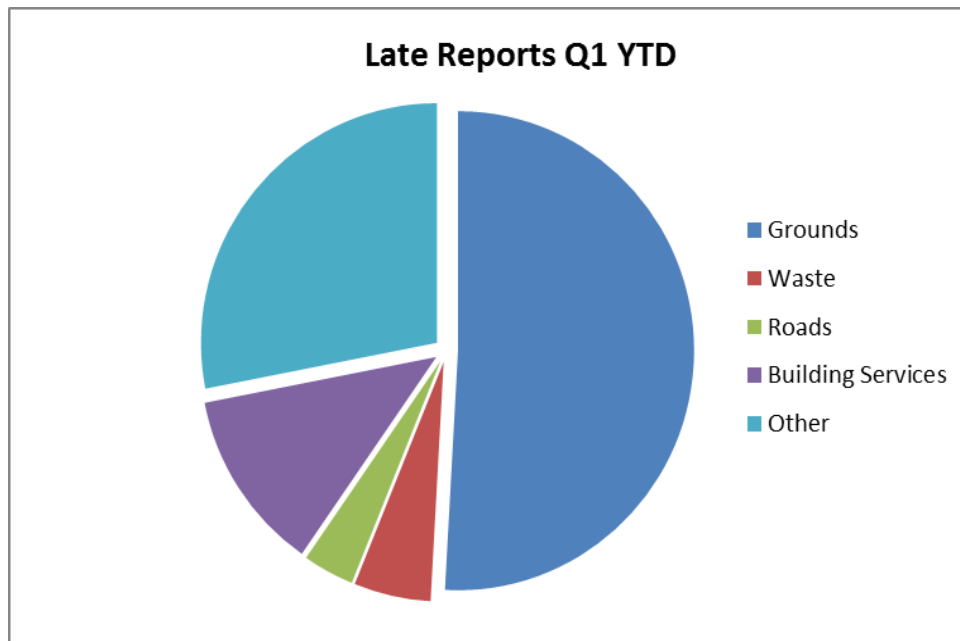
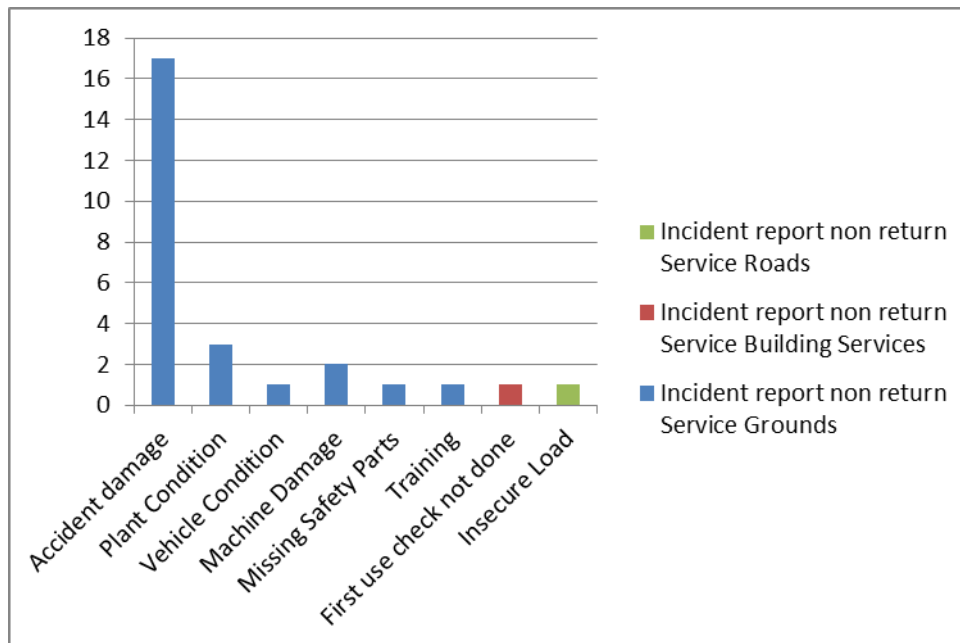


Chart 7: Late Reports per Service – Year to Date

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,

Incident report non return			
Type of Non-Conformance	Service		
	Grounds	Building Services	Roads
Accident damage	17		
Plant Condition	3		
Vehicle Condition	1		
Machine Damage	2		
Missing Safety Parts	1		
Training	1		
First use check not done		1	
Insecure Load			1



strimmer's, trailers etc.

5.5 Vehicle Accidents - Motor Claims Experience

Number of Claims by Financial Year

There is no update available on claims experience to date from the last committee report.

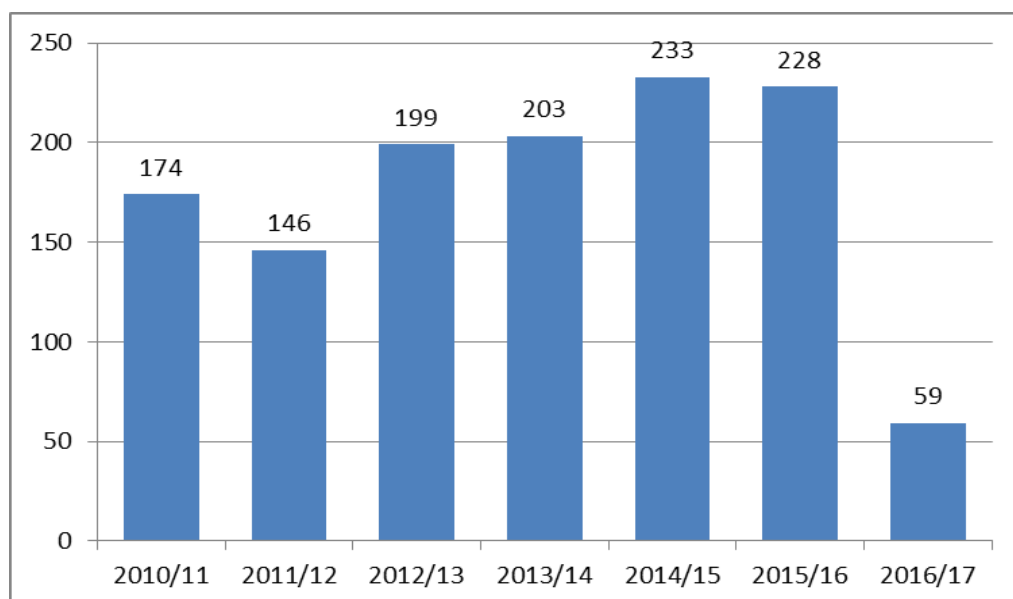


Chart 8: Number of claims by Financial Year

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.

The first part of this efficiency reviewed was a review of the organisational structure of Fleet Services. Part 1 of the restructure is complete with the Fleet Services Manager, Fleet Compliance Manager and Business Support Officer, part 2 will have a Workshop Manager, Workshop Supervisor, two Fleet Compliance Assistants and two Fleet Support Assistants, part three of the restructure will consider additional mechanics.

Fleet are now scheduling in vans every six months for inspection and servicing; (O) Licence vehicles, minibuses and compact sweepers are inspected every eight weeks, the next schedule being addressed is road going mobile plant which will be inspected every eight weeks. All departments carry out quality audits to ensure first use checks (10% of fleet size) are being maintained, any defects highlighted are then dealt with through an investigation, external audits are carried out by the FTA (Freight Transport Association) again looking at the standards of first use checks and also vehicle maintenance standards within the workshop. The number of additional mechanics in part three of the restructure will be determined by the workload of the workshop created with the additional inspections and servicing. As previously reported the workshop skills assessment will provide the information required to collate the types of training the workshop staff require to keep up to-date that the latest technology that will come with new vehicles and plant.

The refurbishment of the workshop and offices will give all employee's an enhanced working environment with which to work in and hopefully this give back the benefits of improved efficiencies and reflect back through to the service departments as well. Fleet have recently conducted a survey of workshop and admin staff, the general feeling of the surveys returned reflected low morale in both departments. The Fleet Manager will continue to build relationships with staff to turn this around but also reports that the culture inherited in the workshop is deeply rooted when trying to attempt changes in practice and procedures within the workshops.

Regular performance reporting to 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, also assists with compliance with legislative requirements, 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

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