



BARNSLEY METROPOLITAN BOROUGH COUNCIL
Draft Fleet Vehicle Replacement Strategy
2019 to 2025



BARNSELY METROPOLITAN BOROUGH COUNCIL
DRAFT FLEET VEHICLE REPLACEMENT STRATEGY
2019 to 2025

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1. Introduction

- 1.1 This strategy provides the framework for the procurement and management of all vehicles, plant and mechanical equipment (such as power tools, ride on mowers, standard mowers, hedge trimmers, trailers, etc.) operated and required by the council to deliver its services.
- 1.2 The current fleet of comprises of 430 vehicles and pieces of equipment with a current capital value of approximately £14.3M.
- 1.3 These assets are critical for delivering statutory and income generating services which include collection of waste and recycling, maintenance of the roads and public footpaths, the winter maintenance programme, maintenance of public buildings and spaces and maintenance of the council's housing stock, commercial waste collection, pest control services, bulky waste collection and bin delivery. Some of the activities are delivered through partnership with external organisations.
- 1.4 All vehicles and equipment must be fit for purpose and need to be managed effectively to enable us to provide the best possible service and protect the health and safety of staff, our customers and the wider community. They must also offer excellent value for money.
- 1.5 The council is committed to reducing carbon emissions from its fleet and is constantly looking at new developments in technology and assessing its suitability. When procuring new vehicles, all options will be explored and assessed and the best option, based on the whole life costing and operational as well as environmental suitability will be chosen.
- 1.6 The responsibility for management of vehicles, plant and mechanical equipment sits with BU6 Environment and Transport.
- 1.7 The nominated officer responsible for management of the equipment and fleet will be the Head of Service CSS reporting directly to the Service Director.
- 1.8 How we manage the assets will be key in delivering the councils three core priorities:
 - Thriving and vibrant economy
 - People achieving their potential
 - Strong and resilient communities

2. Background

2.1 In 2018, it was calculated that we needed to replace over £7M of the councils fleet, however it was decided in the absence of a vehicle replacement strategy, that we would only seek capital to replace the vehicles and equipment that were beyond their usable life. This amounted to £2.953M.

2.2 The report stated that a strategy would be created before the remaining amount and capital for any further replacements would be requested.

3. Vision

3.1 Our vision is to provide efficient and effective fleet management and vehicle maintenance, enabling our customers to safely provide an exceptional service in a cost effective manner. We will continually look to improve and grow the service we offer both internally and externally, going further to make Barnsley a place to be proud of.

3.2 To achieve our vision we will make best use of the resources available to us and align with corporate strategies to deliver a service fit for the business.



4. Strategic Priorities

4.1 Based on the needs of our customers, our strategic priorities and how we plan to deliver these are set out in table 1 below.

<u>Strategic Priority 1 Enable services</u>			<u>Strategic Priority 2 Maintaining Safety and Compliance</u>			<u>Strategic Priority 3 Reduce Fleet Emissions</u>			<u>Strategic Priority 4 Customer Focus</u>			<u>Strategic Priority 5 Value</u>							
To enable services by making sure they have the correct vehicles and/or equipment they require deliver their service safely.			To ensure that all vehicles and equipment are maintained and kept in a safe and legal condition prior to use.			To reduce the carbon emissions of the councils fleet			To put the needs of our customers at the forefront of our work.			To demonstrate best value in every activity we undertake.							
Strategic Outcomes– what we want to achieve			Strategic Outcomes– what we want to achieve			Strategic Outcomes– what we want to achieve			Strategic Outcomes– what we want to achieve			Strategic Outcomes– what we want to achieve							
. Services have the appropriate vehicles and/or equipment to carry out their responsibilities and duties. Services have the appropriate vehicles and/or equipment to ensure that they employees remain safe while carrying out their duties. Services have the appropriate vehicles and/or equipment to ensure that they remain compliant with all related regulation and laws while carrying out their duties. We will understand the needs of the service.			All vehicles will be compliant with Transport Laws when in use. Vehicles lifespan will be maximised through effective maintenance. Employee's safety will not be compromised by poorly maintained vehicles or equipment.			All new vehicles will meet the latest emissions standards as a minimum. Alternative fuel vehicles will be implemented into the fleet. The carbon footprint of the fleet will be reduced			We will work with a solution based approach to ensure that our customer's needs are met. Customer's expectations will be in line with what we deliver. Customers will receive an excellent customer experience.			Procurement and funding of new vehicles and equipment will give us the best possible prices. Vehicles will be maintained to prolong their lives and maximise their utilisation. Technology will be used to reduce costs and maximise the life of vehicles.							
Strategic Outputs/Projects – How will we achieve it?			Strategic Outputs/Projects – How will we achieve it?			Strategic Outputs/Projects– How will we achieve it?			Strategic Outputs/Projects – How will we achieve it?			Strategic Outputs– How will we achieve it?							
Start		End	Start		End	Start		End	Start		End	Start		End					
Implement a new, specialist software system to allow more effective management of the fleet assets that will give a comprehensive asset register and up to date auto generated information for all vehicles, plant and equipment.		Apr 2019	Dec 2019	Implement a new, specialist software system that will intelligently manage the maintenance schedule to minimise downtime and ensure vehicle availability is not compromised and can automatically communicate with customers to inform them of the status of their vehicle.		Apr 2019	Dec 2019	Utilise a telematics system that highlights automatically when a vehicles usage is optimum for an alternative fuelled vehicle.		Apr 2019	Dec 2019	Create a clear SLA document which sets out the services to be provided and costs for each customer for the period up to 2025.		Apr 2019	Apr 2020	Implement a telematics system that will report on vehicle usage so we can see what vehicles are underutilised and redeploy them if it will avoid procuring an additional vehicle.		Apr 2019	Dec 2019
			Give appropriate training to technicians so that they are able to maintain all the vehicles we procure effectively with minimal external support as productively as possible.		Apr 2019	Mar 2025	Reduce the current emissions of the fleet and set a target at the start of each year based on the current emission levels, current standards and vehicles due to be replaced in that year.		Apr 2019	Dec 2025	Implement a new, specialist software system to keep services informed of the status of their vehicle at all times. Reporting on vehicle availability and reasons vehicles are unavailable.		Apr 2019	Dec 2019	Implement a new, specialist software system that will monitor the whole life costs of a vehicle and flag when it is costing more than projected.		Apr 2019	Dec 2019	
			Implement a next generation telematics system that will automatically send updates on maintenance requirements. Allowing us to carry out smarter more educated maintenance.		Apr 2019	Dec 2019	Implement a telematics system that can manage driver behaviour by self-policing the driver, informing them in the vehicle when they are driving uneconomically also reporting repeat offenders to management.		Apr 2019	Dec 2019					Give appropriate training to technicians so that they are able to maintain all the vehicles we procure effectively with minimal external support as productively as possible.		Apr 2019	Mar 2025	
							Complete a strategic analysis of the fleet and create a % target of the fleet to be powered by alternative fuels by 2025. We will target at least 30 vehicles to be electric powered by 2025.		Apr 2019	May 2019					Assign a value to the emissions from vehicles in line with Government guidance on Air Quality: Economic analysis.		Apr 2019	Mar 2025	

Table 1: Vehicle Replacement Strategy Strategic Priorities

5. Vehicle Replacement Programme Process

- 5.1 The council invests in appropriate assets to facilitate the delivery of its functions. For additional new vehicles, user departments must provide an approved business case with clear indication that funding is in place. For existing vehicles, the user service department is required to identify a continuing need for the assets and any subsequent replacements at the end of their useful life; this should be subject to the confirmation that there is a continuing need for the assets.
- 5.2 The Council always has conflicting demands with investment needs exceeding available financial resources. Therefore a robust replacement plan will be in place to prioritise the requirements based on necessity and essential needs as well as being aligned to corporate priorities.
- 5.3 Fleet Services will be responsible for managing and maintaining the master asset spreadsheet and will identify vehicles coming to the end of their useful life and/or when a vehicle is coming to the end of its funding arrangement.
- 5.4 Fleet Services and user departments will then discuss and agree suitable replacement vehicles taking into account corporate priorities and changing business needs.
- 5.5 When replacing an existing vehicle the following will be included in the consideration:
- Condition of vehicle
 - Mileage of vehicle
 - Requirement of the user department
 - Age of vehicle
 - Whole life costs incurred to date
 - Projected maintenance occurrences and costs
 - Existing fleet utilisation
 - Type of fuel of existing vehicle
 - Alternative fuels available and viable
- 5.6 When acquiring a new vehicle the following will be included in the consideration:
- How long vehicle is required for
 - Annual mileage expected
 - Requirement of the user department
 - Projected maintenance occurrences and costs
 - Existing fleet utilisation
 - Type of fuel
 - Alternative fuels available and viable
- 5.7 For budget setting (around December each year for the following financial year), Fleet services will produce a list of vehicles that require replacement in the following financial year, the agreed (with user departments) replacement vehicles and the capital and revenue impacts of the change.
- 5.8 When Fleet Services have produced the list of vehicles identified in 5.7 above, it will be subject to approval through the formal Cabinet process to secure funding and alignment to corporate priorities.

- 5.9 Once this has been finalised, this should be passed to Financial Services, along with the chosen financing period, and annual mileage.
- 5.10 Financial services will then supply a leasing rate based on this projected information which is used to complete the report and check the impact of the acquisitions on the revenue budget over the relevant years. This is to ensure the revenue budget is sufficient to meet the total cost of financing all current vehicles and the replacements. (Appendix A)
- 5.11 At this point the costs are only approximate as detailed information on the exact vehicles to be ordered and the cost of these will not be known and there can be a substantial time gap between the approval to buy and the actual order/delivery of the final vehicles.
- 5.12 It's important to note that the final decision on the method of financing assets isn't made at this point – this happens after acquisition, the decision will be made by Financial Services.
- 5.13 Purchase of vehicle is the responsibility of Procurement and follows the normal procurement process (see section 7).
- 5.14 The full decision process is outlined in Appendix E.
- 5.15 Demonstrator vehicles will be sourced for user departments if available to allow them to assess suitability of new vehicles and technologies.

6. Roles and Responsibilities

Fleet	Is responsible for delivery of strategic and operational management of the council's vehicle, plant and grounds maintenance assets and also responsible for fulfilling all requirements of the Councils goods vehicle operator's licence.
Service Management	Are responsible for identifying requirements and needs to deliver their service. Managing staff to ensure they comply with all elements of transport and road traffic laws and suitably managing drivers to ensure that they are adhering to regulations and that there is no damage to the assets in their control and that the safety of themselves and others is not compromised in any way.
Service Users	Are responsible for providing feedback to their management on the suitability of vehicles currently in service and any demonstrator vehicles they are asked to trial. Complying with all elements of transport and road traffic laws at all times. Using the assets in their control safely, not putting themselves or others at risk of injury or death and returning the asset with no damage.
Strategic Procurement	Are responsible for managing the procurement process and complying with public procurement regulations. Strategic Procurement work in partnership with the Service Management to achieve best value for money in line with the Council's Commercial Strategy.
Financial Services	Will support the decision making process towards the procurement of new vehicles to ensure that the replacement programme does not exceed its ongoing revenue and capital budgets.

7. Procurement

- 7.1 Procurement of replacement vehicles will be subject to BMBC's Contract Procedure Rules and EU Public Procurement Regulations.
- 7.2 There are a number of Framework Agreements available to us that can provide the Service with a wide range of potential suppliers, reduced procurement timescales, collaborative procurement opportunities including combined buying power and robust contract terms.
- 7.3 Alternatively we could conduct our own bespoke procurement exercise should we have specific requirements that are unable to be met effectively using an externally awarded framework.
- 7.4 The options for procurement will be reviewed on a regular basis in conjunction with the S151 Officer to ensure the most appropriate and cost effective means are used to finance future acquisitions.
- 7.5 It may be possible to benefit from external funding for purchases of vehicles. These options will be explored when available.

8. Governance Arrangements

- 8.1 The approach to vehicle provision and management set out within this strategy will be monitored to ensure that it remains cost effective and continue to meet the operational requirements of the business and service users.
- 8.2 A range of measures will be used to morning throughout the year by the manager of the service, detailed below:
- Maintain the master asset s/s
 - Monitor financial spend against the cabinet report
 - Engage and consult with user department
 - Performance indicators
 - Quarterly meeting with appropriate representatives and actions taken where required.

9. Economic Life

9.1 The table below shows the planned life of different types of vehicles in the fleet, this life may be extended if the vehicle meets certain pre-defined financial and operational criteria, set out in section 5.

9.2 The lives are reviewed on a regular basis to ensure minimum downtime for servicing and maintenance and minimum cost.

Type of Vehicle	Expected Economic Life
Car	5 years (BMBC)
Cesspool Emptier	7 years (BMBC)
Civic Car	5 years (BMBC)
Comp. Sweep. (Light)	3 years (BMBC)
Crane Lorry	7 years (BMBC)
Gritter	7 years/seasons (BMBC)
Gritter Body (procured with Tipper (Heavy))	7 years/seasons (BMBC)
Gully Emptier	7 years (BMBC)
4x4 pick up	5 years (BMBC)
Loading Shovel	8 years (BMBC)
Luton Van	5 years (BMBC), 4 years (NPS & NORSE)
MEWP	7 years (BMBC)
Minibus (16 Seater)	6 years (BMBC)
Minibus (6 Seater)	5 years (BMBC)
Minibus (7 Seater)	5 years (BMBC)
Panel Van (Large)	5 years (BMBC), 4 years (NPS, NORSE)
Panel Van (Medium)	5 years (BMBC), 4 years (NPS, NORSE)
Panel Van (Small)	5 years (BMBC), 4 years (NPS, NORSE)
Pickup (Light/C.Cab)	5 years (BMBC), 4 years (NPS, NORSE)
Pickup (Light/S.Cab)	5 years (BMBC), 4 years (NPS, NORSE)
Plant Exc./Loader	8 years (BMBC)
RCV (2Ax/Single Com)	8 years (BMBC)
RCV (3Ax/Dual Com)	8 years (BMBC)
RCV (3Ax/Single Com)	8 years (BMBC)
Ride-on	5 years/seasons (BMBC)
Ride-on Rotary	5 years/seasons (BMBC)
Ride-on Triple	5 years/seasons (BMBC)
Road Sweeper	7 years (BMBC)
Tipper (Heavy)	7 years (BMBC)
Tipper (Light)	5 years (BMBC), 4 years (NPS, NORSE)
Tractor	6 years (BMBC)
Trailer	6 years (BMBC)

10. Types of Fuel

- 10.1 The council's fleet consists of diesel and petrol fuelled vehicles, with one electric car currently in service. Most manufacturers are developing alternative fuels to power vehicles. This technology is still largely in development for most types of vehicle we operate in comparison to diesel or petrol fuelled vehicles. However, it may be suitable for certain vehicles and the roles we require them to carry out.
- 10.2 With the government pledging in its 2019 Clean Air Strategy to ban sales of petrol and diesel engines by 2040, it is quite clear that these alternatives are going to be the preferred choices in years to come.
- 10.3 If there is a suitable vehicle available powered by alternative fuels we will look to procure over petrol or diesel fuelled vehicles after considering financial implications, infrastructure and vehicle usage.
- 10.4 This will be done in liaison with the service that will be using the vehicle, if there is an opportunity to rotate vehicles between services in order to procure an alternative fuelled vehicle this option will also be explored.
- 10.5 The type of vehicle will be considered in the procurement stages and alternative fuels as long as they are cost effective and suitable for the role they will be carrying out will be considered.
- 10.6 We will continue to keep abreast of current developments in this field as part of the Councils commitment to reducing its carbon footprint.

11. Goods Vehicle Operators Licence

- 11.1 Anyone who operates goods vehicles over 3.5t MAM for commercial purposes needs a Good Vehicle Operators Licence. There are several different types but Barnsley Council hold a Standard National licence.
- 11.2 The licence covers several areas of the business including Waste, Neighbourhood Services and Highways. It is difficult to gain a licence and very easy to lose should the conditions not be met.
- 11.3 An operator must have a certified competent person or persons as nominated transport managers, a transport manager is there to ensure all the conditions relating to the goods vehicle operator's licence are met and must have full and total control over the decision making process. Barnsley Council currently has two nominated transport managers.
- 11.4 It is important for the operator to maintain their 'good repute' by complying with all requirements and also for transport manager to demonstrate their 'fitness' (by not being subject to any relevant criminal convictions) to hold such a position and maintain that fitness throughout.
- 11.5 An operator must also have sufficient premises or 'operating centres' to park all the fleet vehicles, Barnsley Council has several operating centres with the main one being at Smithies Lane, Barnsley with smaller operating centres around the borough. Each operating centre has a maximum number of vehicles authorised to park there, the difference between the number of vehicles parked at a centre and the number of vehicles specified is the 'margin'. All vehicles have to be individually itemised.

- 11.6 Smithies Lane Depot contains the vehicle maintenance function. Regular vehicle maintenance is an essential requirement for obtaining and holding the goods vehicle operator's licence; maintenance functions can be in-house or can be externally provided.
- 11.7 The frequency of servicing can vary depending on the type of vehicle; this is governed by the terms of the council's operator's licence or manufacturers guidelines. Our strategy is to comply with these requirements and guidelines.
- 11.7.1 Cars, LCV's up to 3.5t MAM and vehicles with up to 8 passenger seats are serviced every 6 months, with a more in depth service at 12 months, first MOT is at 3 years old and annually thereafter
 - 11.7.2 Goods vehicle over 3.5t MAM are inspected every 6 weeks with a more in depth service at 12 months, first MOT is at 12 months and then annually thereafter
 - 11.7.3 Vehicles with more than 8 passenger seats are inspected every 8 weeks with a more in depth service at 12 months, first MOT is at 12 months (depending on use, some are 3 years) and then annually thereafter
 - 11.7.4 Specialist mowers, plant and machinery are inspected and serviced in line with manufacturers schedules (usually in hours) and legislative requirements e.g. LOLER
- 11.8 Some vehicles e.g. RCVs will also require additional maintenance on the specialist equipment fitted to them.
- 11.9 It is worth noting that all of the vehicles do not feature on the goods vehicle operator's licence but enforcement authorities will take into account the operation of these vehicles when taking any decisions on the licence.
- 11.10 An operator must demonstrate that sufficient funds are available with specific limit based on the size of the fleet, this set currently at £7950 for the first vehicle and £4400 for each additional vehicle.

12. End of Vehicle Life

12.1 Owned vehicles will be disposed of via part exchange, sale or auction whichever offers the best return when taking into account the trade pricing guides and business intelligence.

12.1.1 Sales can be through e-bay and through identified and suitable contacts.

12.1.2 Local authority auction (SVA) takes place every first Tuesday of the month

12.2 The funds will be dealt with in line with the corporate Debt Strategy and received back as a capital receipt and recorded on SAP as sale of goods.

12.3 Leased vehicles will be handed back to the lease company, any end of lease charges will be negotiated to minimise the cost to the council.

13. Livery and Brand

13.1 All new vehicles will be Traffic Red or the closest red available from that manufacturer.

13.2 We will also look at the price of vinyl wrapping new vehicles in Traffic Red if specifying red from the manufacturer increases cost excessively or extends lead time.

13.3 Services that require a different colour vehicle will need to get a special dispensation from a senior manager.

13.4 The Barnsley Council logo will be displayed on the side of every vehicle unless a special dispensation is given.

14. Alternatives to Vehicles

14.1 To reduce the council's carbon emissions alternatives to vehicles, such as electric bicycles will be researched and considered.

14.2 Alternatives will not only be to replace vehicles in the fleet, but also to reduce the amount of grey fleet mileage.

15. Performance Management

15.1 The performance management of this service will be measured by introducing a number of key indicators. These will include:

- Number of scheduled work items completed within time.
- Number of assets replaced in time.
- Turnaround time of breakdowns/unscheduled maintenance.
- Actual and budgeted costs and downtime for service level agreement works.
- Report on number and % of alternative fuelled vehicles
- Carbon emissions of the fleet
- Regular customer feedback for work done
- Number of recalls following a service.
- Make use of telematics information to improve driver behaviour
- Greater use of tenders and procurement frameworks
- Measuring technician performance and job costs for servicing and other standard tasks
- Reduce stock value and storage space through greater use of real time purchasing.
- Greater use of telematics for predictive maintenance.

16. Constant Review

16.1 The vehicle market is constantly changing and is very unpredictable with many different projections on the direction that vehicle usage and ownership will go in. We will keep up to date with the market and make adjustments to our strategy as is needed.