



## Belfast City Council

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	<b>Fleet Improvement Programme – Progress Update</b>
<b>Date:</b>	19 <sup>th</sup> Sept 2014
<b>Reporting Officers:</b>	Ronan Cregan, Deputy Chief Executive and Director of Finance & Resources Gerry Millar, Director of Property and Projects
<b>Contact Officers:</b>	George Wright, Head of Facilities Management Charlie Thompson, Principal Consultant, Efficiency Unit

<b>1.0 Purpose</b>	
1.1	To update Members on the progress of the Fleet Improvement Programme and make key recommendations as part of the improvement programme.

<b>2.0 Background</b>	
2.1	The Fleet Improvement Programme is a key element of the Council's Efficiency Programme generating significant capital and revenue savings for the Council in relation to fleet procurement and operations.

<b>3.0 Key Issues</b>	
3.1	<b>Fleet Reduction:</b> Following a review of fleet categories a fleet reduction model has been developed which will reduce the size of the Council fleet by 10%. This position will be reviewed post the implementation of the Route Optimisation (RO) and GPS technologies as these systems will provide a clear evidence base to identify further fleet reductions which can be realised.
3.2	<b>Fleet Procurement:</b> A 4 year fleet replacement programme has now developed that will prioritise the most business critical fleet assets whilst ensuring that a robust and VFM fleet remains in operation and the Year 1 procurement exercise is already underway. The replacement programme agreed with departments will be fully aligned to the £6.4million budget available within the Capital Programme.
On the 13 <sup>th</sup> Dec 2013 SP&R Committee approved the commencement of a tendering	

exercise, on both an outright purchase option and on a lease basis, for the replacement of the official vehicle for the Lord Mayor and delegated authority to the Director of Property & Projects, in accordance with the Scheme of Delegation, to accept the most advantageous tender. A separate report on this issue is being presented to Committee today.

- 3.3 **Global Positioning System (GPS) Implementation:** A key recommendation of the VFM Review was the implementation of a GPS fleet tracking system in order to improve utilisation, planning and efficiency of the Council's fleet assets. System research (including high level supplier demonstrations) has been undertaken by the Steering Group to determine the specification and requirement by BCC and a specification produced and agreed by all user departments and provision of £250k has been made in the Capital Programme. A procurement exercise for this technology is currently underway.

In terms of staff and trade union consultation several papers have already been presented to JNCC on GPS. The views of the Trade Union Co-ordinators were initially sought and their broad assessment was that the implementation of the system would present no real difficulties in terms of the general principles involved. An external independent Privacy Impact Assessment was also commissioned and it concluded that there were no significant privacy-related issues arising from the use of such a system. A management side draft protocol has been developed by Corporate HR and trade union consultation is currently ongoing.

- 3.4 **Review of Route Optimisation and Vehicle Utilisation:** Cleansing Services are currently progressing the RO and Vehicle Utilisation project with support from Digital Services. A draft specification has been developed for the procurement of a Route Optimisation System and associated consultancy support and provision has been made within the current capital programme. Once implemented the GPS and RO systems should identify scope for significant reduction from our fleet going forward.

- 3.5 **Livery:** A report presented to the Transition Committee on 18<sup>th</sup> August 2014 and passed by Shadow Council on 9<sup>th</sup> September 2014 presented by Corporate Communications gained member agreement that the Council should not be rebranded.

However the VFM Fleet Review recommended that the Council should consider how it liveryed its vehicles in the future as the current livery had an upfront cost and also restricted disposal prices at the end of the vehicles life. Some initial work has already been already undertaken in this area including completing benchmarking activities with other local authorities (via APSE); researching prices with and without livery with suppliers and testing prices through the most recent procurement process.

It is difficult to accurately assess the potential level of savings that could be realised until a full market testing exercise is conducted against our fleet; however estimates have been made based on the initial analysis work completed. This paper is presenting three options:

- 1) no change to the current status quo on our current approach to livery;

- 2) procure all future assets in one colour and apply the BCC decal estimated savings whilst phasing out the older two tone livery as vehicles come out of life - £338k;
- 3) procure all future assets in one colour and apply the BCC decal estimated savings of - £338k and re-spray all remaining BCC assets in this one colour at an estimated cost of - £707k.

The decision to pursue savings from fleet livery is not just a financial decision and it needs to be assessed against the potential impact on the corporate branding and the wider corporate image.

As we are currently on the verge of procuring a significant number of vehicles with plans to replace almost one fifth of our total fleet over the current 2014/15 financial year (*including the LGR transferring vehicles*) a corporate decision is now required from members on which approach to livery is to be applied to these new vehicles as these procurement exercises are already underway.

Members will be provided with hard copy graphical representations of the proposed livery options at committee for their consideration.

Members are also asked to give their approval to explore the opportunities for utilising our fleet assets as an advertising mechanism with the potential benefits of generating income and to offer the scope for promoting key community messages of benefit to BCC.

<b>4.0</b>	<b>Finance and Human Resource Implications</b>
<b>4.1</b>	<b>Financial Implications</b> The capital and revenue savings associated with the ongoing implementation of the Fleet Improvement Plan will be factored into the 2015/16 budget setting process.
<b>4.2</b>	<b>Human Resource Implications</b> At this stage there are no HR implications to be highlighted.

<b>5.0</b>	<b>Decision Required</b>
<b>5.1</b>	Members are asked to: <ol style="list-style-type: none"> <li>1. Consider each of the 3 options presented below and agree the approach to future livery that will be applied to the Council fleet:           <ul style="list-style-type: none"> <li>○ No change to the current status quo on our current approach to livery;</li> <li>○ Procure all future assets in one colour and apply the BCC decal estimated savings whilst phasing out the older two tone livery as vehicles come out of life - £338k</li> <li>○ Procure all future assets in one colour and apply the BCC decal estimated savings of - £338k and re-spray all remaining BCC assets in this one colour at an estimated cost of - £707k.</li> </ul> </li> </ol>

	<p>2. To give approval to explore the benefits of advertising on our fleet assets with potential to generate additional income and to promote key community messages of benefit to BCC and approve that a more detailed specific report will be brought back to Members on this issue.</p>
	<p><b>Key Abbreviations</b> VFM – Value for Money  LGR – Local Government Reform APSE – Association for Public Service Excellence</p>
<p><b>Documents attached:</b> N/A</p>	