

Introduction

This review establishes if the Vehicle Maintenance and Fleet Management function is offering value for money, develops a forward plan for the service, and seeks to identify a full range of savings required to contribute towards the Council's Medium Term Financial Strategy savings target.

The Service

Since 2003, the Council has pursued a policy of purchasing vehicles and maintaining these using the established in-house team. This approach was endorsed when the Council undertook a Waste and Collection Service Value for Money Review in 2008. This established that the Vehicle Maintenance and Fleet Management Service needed to maintain its high quality service while introducing a range of measures to improve its efficiency and reduce its cost base.

In 2011, the Council's Vehicle Maintenance and Fleet Management service supports:

- 65 Council owned vehicles, up from 48 in 2007/08, looked after by the vehicle maintenance team split between the Banbury and Bicester Depots
- 18 Refuse Collection Vehicles (RCVs) and 6 other Large Goods Vehicles collecting 53,000 tonnes of waste and recycling from the kerbside
- 18 street cleansing vehicles including 5 mechanical sweepers keeping the district clean
- More than 20 other vehicles for supervisors, car park wardens, property maintenance, etc.
- A MOT testing centre at Thorpe Lane depot, requiring a dedicated vehicle maintenance technician, testing Council vehicles up to 3.5 tonnes. The centre also tests Class IV vehicles (cars), Class VII vehicles (Vans) and Class V (Minibuses) from members of the public and commercial organisations, generating around £70k annual income.

The service needs to provide the Council with cost effective, reliable vehicles to move this amount of waste efficiently and keep Cherwell's streets clean. Therefore the selection and on-going maintenance of vehicles is important not only to ensure efficient, legally compliant operations, but also to minimise the risk to staff and the public.

The service costs £½ m to run and is operated by a team of seven, with a transport manager, supervisor, four technicians and a young apprentice.

Statutory Requirements of a Transport Operation

To operate Large Goods Vehicles (LGVs) a vehicle operators licence, 'O' licence, is required, which has to be applied for every five years. This licence is issued by the Traffic Commissioners and monitored by the Vehicle and Operators Service Agency (VOSA).

There is capacity to expand within the Council's current licence, which is capped to 29 vehicle; the Council currently operates 24 designated LGVs, most of which are RCVs. The 'O' licence requires regular maintenance and a six weekly vehicle inspection programme.

Failure to follow the conditions of the 'O' licence can result in the Traffic Commissioner curtailing, suspending or revoking the licence. By law, the transport operation must be overseen by a competent individual who possesses a Certificate of Professional Competence (CPC). At Cherwell, the transport manager is the named individual on the 'O' licence. The waste collection manager also holds a CPC in the

event that the transport manager is not available for any extended period. Cherwell's LGV operation is current assessed as 'low risk' by VOSA, who operate a risk based points system.

Cherwell's MOT bay is also governed by VOSA and this is also assessed as 'low risk'. The transport manager is authorised examiner for MOT compliance.

Value for Money Conclusion

Cherwell's Vehicle Maintenance and Fleet Management Service offers good value for money to the Council. It has actively driven down its cost base, while the number of vehicles it maintains has increased and is highly praised by client departments. In comparison to others, the team is top performing on a range of productivity and quality measures. Further, the service highly values its 'low risk' assessment for its Large Good Vehicle operation and MOT bay from VOSA, the Vehicle and Operators Service Agency.

Recommendations and Savings/Income Options

This Review recommends the Board to:

- (1) Endorse the VFM conclusion that the service offers good value for money and has actively driven down its cost base, providing a top performing, high quality service
- (2) Adopt the Service Plan Framework as a guide for the service in future years including areas for future improvements, savings and increased income (attached as Annex 2)
- (3) Note the projected MOT Bay income shortfall in 2011/12 of up to £30k brought about by refurbishment of the depot, reduced bookings believed to be in response to the economic downturn and potential impact on income of a severe Winter like last year. Note the measures in place to reduce costs and increase income to address the shortfall in-year
- (4) Agree the following recommendations to achieve additional savings and income:
 - £8k per annum from 2012/13, through improved fleet procurement and reduced spending on parts
 - Potential future revenue savings and income of £12k from a number of sources including working in partnership with other agencies, neighbouring councils and procurement partnerships
 - Additional new capital income source totalling £12k in both 2011/12 and 2012/13, rising to £24k in future years, as a result of improving the re-sale value achieved at auction from Council-owned equipment.