

Fleet Management for Councillors

Edition three of the Pocket-book series

Dave Gaster 2019



A practicable guide blending a professional whole-system awareness with a light touch introduction to 'Lean and Systems Thinking' (L&ST) - Achieving More for Less.

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Pocket-book published by Support Services Direct as part of the Visualising Transformation series. Previous Books include: Quality or Politics, Visualising Transformation and VT-Achieving More for Less.

Booklet One: Potholes, **Two:** Waste (Recycling and Cleansing)

Also 'Total Transport - from theory to practice'



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1. Introduction:

The Councillor Pocket-book series is designed to be short, useful summaries for Local Government and operational issues, without dumbing down the subjects, enabling Councillors to ask better questions.

Booklet three: Fleet Management

In some ways Fleet Management is the ideal follow up subject for this third pocket-book, as this should show that better is cheaper, and that everything is connected.

Real life Case Study:

A City Council had experienced a long-term decline in fleet management capabilities, from being one of the best in the country, to having a multitude of very old vehicles, supported by a garage service with far too many work rounds, leading to costly unsafe vehicles on the road.

A traditional consulting firm had recently reduced the number of vehicles, buying many new ones, and outsourced the servicing garage to the County Council's contractor which had no experience of Waste or Cleansing vehicles.

This was more Efficient, unit costs had reduced, safety improved but Effectiveness was far from the truth.

Many of the recent vehicles had been incorrectly specified, capabilities were low compared to need, so more vehicles were required to meet service demands. There was neither a proper asset register, nor a succinct vehicle replacement policy.

Drivers were able to carry out work how they wanted. Legislation was partly understood, then mandated in a

confrontational way. Many drivers had been disciplined for minor offences, while blatant operational stupidity wasn't known. The council had tracking systems but didn't know how to interrogate them to make sense of reality.

A full asset list was created in an Excel spread sheet (SS), using numerous clues to keep adding to the list. During that compilation it was obvious there were many hired vehicles and plant, so both long-term and short-term hires were added to the SS. These assets were then compared to work gangs and functions.

Some teams had spares for their spares. Many long-term hired vehicles were hardly used, despite costing more than owned assets. Some supervisors had vans, and virtually only used them for home to work transport.

About 60% of hired vehicles and plant were off hired, with legal tendered assets being established for the other 40%, plus a rapid call off option established for emergency needs, under carefully designed controls to stop abuse.

Work demands against 'owned assets' were mapped, showing that there were still far more vehicles than needed. Full vehicle costs were devised, to identify cost, versus need, versus difficulty to replace.

Service changes were also mapped in, to establish the impacts on vehicles, compared to the robustness of build for modern vehicles. From that an asset management plan was built, showing the lifespan of vehicles, annual amortisation (cost to replace expressed as an annual sum) and repair demands over time.

This was fine-tuned, then extended to a 23-year plan, with a

smoothed fleet replacement funding achieved after three years, saving over £1M in those first three.

Servicing issues were diagnosed, the contract SLA refined such that a better service was achieved, 'over-servicing' reduced, vehicle downtime reduced, vehicle availability improved.

Driver management was significantly improved via a professional fleet manager, CPC compliance achieved, European rules more succinctly addressed, over-time reduced, odd crew working patterns (increasing miles and reducing service delivery) eliminated.

The target revenue saving per year was £35,000, we achieved £250,000+ While improving the quality of the asset and the robustness of service delivery.

2. Potential fleet needs:

Counties, Districts and Town Councils can have very different fleets due to their functions.

Economy of scale often isn't a reality. The example above didn't allow the City to gain from the County scale, until bespoke working methods were added.

Counties may have: Highway maintenance including winter gritting; Home to school transport (Mainstream, SEND and Social Care), Education, Corporate management (FM), Grey Fleet (Transport associated with service delivery), Stores, Parks, Parking services, Waste disposal....

The scale of operations depending on whether services are provided internally or via out-sourced companies.

District Councils may have: Refuse and Recycling collection vehicles, Cleansing, Housing maintenance, Parks and amenity management ...

There are limitless variations all the way through to **Unitary Councils** who may do all the above.

We have assisted councils with 1,100 vehicles and 900 items of 'wheeled' plant, to a Town Council with four vehicles.

The legislation for Large Good Vehicles (previously HGV's) is quite different to that for Passenger Transport Vehicles (PSV's). Behind both is a need to comply with Certificate of Professional Competence (CPC) requirements. CPC affects the whole council 'legality' through to continual training needs of every driver.

3. Cheap or costly?

Cost modelling assumptions are massively variable from council to council, from the most modern, stream-lined fleet possible, to having numerous cheap vehicles, with spares for the spares.

Most fleet management tends to be over-simplified, starting from the provision side only, with every aspect of vehicle existence seen through narrow (silo based) perspectives: User 'Client' (Specification of need), Procurement, Finance, Transport Management, Garage Services, Drivers, Operatives, Middle Management, ...

Austerity and senior management churn also impact on this. The capital cost of replacing vehicles is often an initial aspect of spending reviews.

Lease & Buy options can co-exist. If the council is capital rich, buy everything except very specialised vehicles. New or second hand also sits in there. Non-specialised cars and vans lose 30% of value in year one. Hence buy at a year old?

We saw a London Borough which had 'put off' buying new passenger transport vehicles three times, each time leaving a legacy of aging costly vehicles, with poor service capabilities, purely due to each new Director having different ideas to the last, from out-source to in-source to mixed provision... Replacement costs were saved, reputations and capabilities destroyed.

Whole service needs consideration when establishing vehicle replacement plans: What is needed, how the vehicles will be used, what may impact life-spans, the balance of service delivery to whole life costs of vehicles, with flexibility.

4. Management NOT Administration.

Management should be the process of adding value to a service, bringing all the strands together to achieve more than the separate strands on their own.

Compliance cannot be achieved via an admin officer simply looking at legislation, using CPC training to stylise every part of the service.

Local Government fleet compliance enables interesting permissions that most trainers are unaware of. Most drivers don't just drive, and rarely exceed driver hour requirements.

European regulations are numerous and can be interpreted in ways that allow excellent working conditions, safety and efficiency. Mindless apparent compliance can be VERY COSTLY.

Long term plans, Asset replacement plans, vehicle replacement plans +++ Must be flexible to enable rogue vehicles to be disposed of and great vehicles to be retained.

Vehicle utilisation can be very low. For instance; home to school mini-buses can be used for 190 days a year for four hours a day. If every service is a silo, similar vehicles will be doing similar work at different times.

Routes can be totally stupid due to changes over time, for instance collecting and dropping off six passengers with 50 miles driven, when ten could be dealt with in 35 miles.

Good fleet managers will save many times their own cost. Saving staff costs can sometimes be very expensive.

Fleet management includes:

- a)*** Daily driver inspection, recording results before driving. Ensuring minor defects are dealt with.
- b)*** Daily recording of journeys including time via tachograph, manual or automated systems.
- c)*** Monitoring (and management) of driver hours
- d)*** Weekly cleansing of vehicles.
- e)*** Routine 6/8 weekly garage inspections of large vehicles for defects and lubrication.
- f)*** Parts ordering, standard stock, fast delivery.
- g)*** Tyre management, repairs, replace and safety.
- h)*** Quarterly servicing of large vehicles, taking perhaps three days.
- i)*** Annual MoT's for all vehicles, including pre-inspection and servicing.
- j)*** Insurance management, including claims and repairs.
- k)*** Claims management, including defending false claims, sometimes with GPS or CCTV evidence.
- l)*** Driver CPC management.
- m)*** Risk assessments for servicing and use of vehicles
- n)*** Driver training, qualification and licence management.
- o)*** Driver assessments, developing relief LGV drivers.
- p)*** Planning of vehicle availability through the year.
- q)*** Planning of special vehicle demands (Snow, floods, Christmas...)
- r)*** Winter maintenance of mowers, tractors +
- s)*** Summer maintenance of gritting fleet.
- t)*** Fuel purchase and distribution system
- u)*** Asset management plan
- v)*** Vehicle replacement plan

5. Data > Information > Knowledge.

D>I>K is a very important consideration. Most organisations are 'Data rich - Information poor'. That is they have masses of pieces of data, including wrong information (Dirty data) and a plethora of correcting data within the correct data.

Information is found from assembling lots of data. For instance, how much does that vehicle cost per year requires: Fuel, Servicing, Insurance, Repairs, Tyres, Lubricants, Garage Inspections, Driver Inspection costs, MoT's, Lease (Amortisation), Loan costs (the cost of borrowing money), Insurance claim processing costs, CPC training, Admin Costs, Management costs, Parking costs

Knowledge comes from having a wide array of readily available, easy to understand Information. If you know the whole costs of each vehicle (by vehicle type) compared to each other, AND the usefulness of each vehicle. {One on the road for 220 days per year, 8 hours a day is better than others... One capable of a 12.2T load is better than one with a 10.5T load}

In the City above, non-vehicle management had specified the new Refuse Compaction Vehicles to replace the old ones. They reduced the fleet by three overall. The specs were 'wonderfully modern'. However, they added bells and whistles... An extra hopper prop, under-belly engine protection, vehicle tracking, vehicle diagnostics +++ The vehicles were 0.7T heavier than the old, so each had 0.7T less legal payload, twice a day.

The new vehicles cost more and did less, they couldn't service the old rounds, so a new 'shunt round' was needed.

Having a great deal of Knowledge enables Tactical decisions to be taken, for Policies to be flexed, to retain vehicle X for another year, while vehicle Y is disposed of a year early.

To retain a very old 'excellent vehicle' as a spare, then dispose of it when a fatal issue occurs. {Fluid management}

To have a lower spec spare so that drivers are motivated for managing their current better spec usual vehicle.

To use modern tracking resources to identify vehicle abuse, (Excessive braking, fast turning, excessive acceleration) at source, making it clear who the best drivers are.

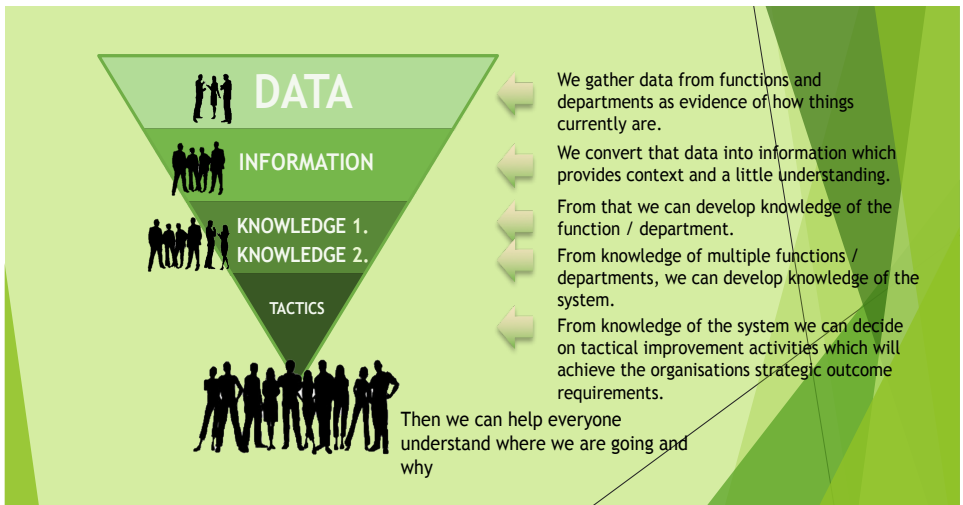


Figure 1. Data>Information>Knowledge>Tactics (D>I>K>T)

To improve a system, you need to develop a tactical capability, where those tactics are the right ones for the right places. The D>I>K>T model was used as the core building block for a £5M immediate capital save and £1M per annum revenue save on a large fleet. (Chapter 12)

6. Whole systems awareness.

Knowing exactly what assets you have, their commitments and capacities at any time, their operational status and what those vehicles '*Could do - rather than what they do-do*' is incredibly useful.

We created the diagram below while conducting a fleet review for a large Unitary council. The council was still scoping the current over-lapping / conflicting audit needs and change management initiatives while we had some operational discussions with four middle management officers.

The Operational Director and his advisors were stunned when we produced this graphic to demonstrate a whole system awareness with the power of 'AND' instead of 'OR'.

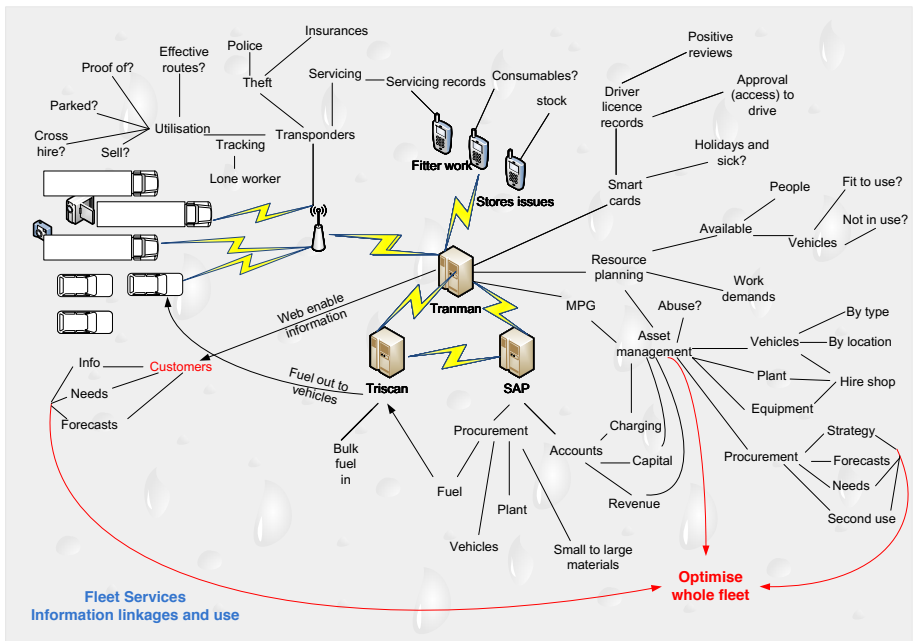


Figure 2. Illustration of current ICT integration potentials.

This depicted a 'sweet point' where everything came together, and also demonstrated that all their current major ICT systems could link, reducing multiple data entry, releasing staff for 'wished for' initiatives, AND using current ID cards as grey fleet management cards.

High impact 'Ice breakers' like these often give organisations momentum to stop focussing on multitudes of current initiatives, to look at how the whole system can be improved. Simple diagrams also overcome the propensity for people to ask for extensive specifications to be written, avoiding time and leveraging in hope.

Similar diagrams enabled a Social Services team to realise they could fuel their vehicles far easier, avoiding a massive 'petty cash' problem, which in turn came to a 'spare capacity' option with their fleet, as they could operate a home to school collection service, BEFORE they had Social Care demands, that in turn released funding for two 4x4 vehicles needed for the frequent snow day demands they experienced. A win-win that saved over £300K per annum, from a 'chance' visual.

7. Decision making.

Far more decisions are made on vehicle purchasing, servicing and utilisation based on incomplete 'dirty data' than anyone would ever admit to.

Designing the capital replacement plan with fleet managers came to an interesting philosophical question regarding planned replacement periods.

Two thirds the way through a major fleet review, the Finance Assistant Director lambasted the lead consultant for delving into Capital Management aspects that 'they didn't understand'. Part of the Benefits Realisation Plan (BRP) was consciously mixing revenue and capital funding which were described as puerile!

The consultant didn't fight back, but did ask to spend forty minutes with the council's lead officer for capital funding.

That was agreed to, and at first the meeting went as predicted with the finance officer adamant that it made no difference whether a vehicle had a five year or seven year 'life-span' as far as revenue implications were concerned.

Effectively a simple 'root cause' analysis was entered into to see how Capital monies were created and recharged. About thirty minutes into the meeting the accountant suddenly saw 'the whole picture'. He had been advising for a decade plus that it made no difference whether a vehicle was replaced every five or seven years, then suddenly saw that 40% more capital costs were invoked by the shorter period, charged back via revenue contributions.

The council saved £5M against plan in the next 30 months as a direct result in their change of perception.

We earlier talked about Data>Information>Knowledge in chapter 5. Great information for a service director, may be totally useless for a vehicle mechanic or a Board member deciding on conflicting budget demands.

Knowledge presentations **MUST** be fit for the purpose of creating it. There is a huge difference between 'cutting costs' and achieving optimal outcomes.

Within local authorities more complex decisions are often required, balancing customer needs, environmental outcomes, political imperatives and affordability. If the information is developed with all those needs in mind, councillors can focus on all aspects together and avoid failure to deliver the best of all parts.

In one authority with a clear party majority we balanced information via the Cabinet Portfolio focuses of Cost, Customers and Environment, with all three 'Knowing' they had more than their fair share of the programme outcomes.

At another council the balance of power was virtually equal between Labour and Conservative with the Green Party holding the balance. There; we simply focussed on the specification 'features' that were asked for, so all three parties could see that their mandate was met. No either or, simply AND.

Enabling decision making to be easy is fundamental. Every fleet review has delivered better outcomes than required: Faster, easier, no union disquiet, increased savings, better service delivery....

8. Voice of the Asset (VotA)

VotA is not a 'normal' thought for Fleet Management even though vehicles and plant are clearly council assets.

A large part of systemic thinking is around considering the whole system. Simply taking a financial or operational viewpoint will give you sub-optimal outcomes, as would taking only a Customer view-point.

Everything is connected, traditionally the Joiner Triangle considers Process, Customers and People, where people refers to the people working in the system. Adding assets to this will lever in some opportunities invisible otherwise.

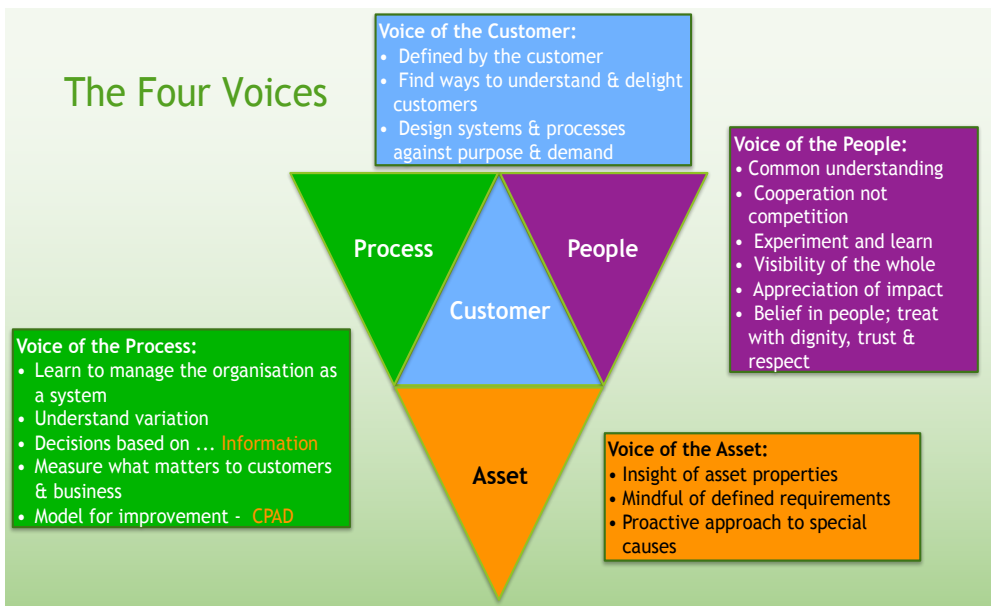


Figure 3. Voice of: Customer, People, Process and Asset.

So what assets are holistically considered to maintain, use and deploy in the most effective ways possible?

Within waste management, there is often a hard dis-connect

between household waste and commercial waste. However, in large conurbations it's often far more sensible to collect trade waste at night, enabling second use of vehicles.

While in suburbs and rural areas it is legally possible to collect both together so long as there is a robust system to estimate trade tonnages.

Within passenger transport most services are performed in neat silos eradicating any possibilities of multiple usage of a vehicle within the council, before considering the NHS and Voluntary sector activities.

The booklet on ***Total Transport*** (A very detailed for higher level practitioners) shows an eight point plan to save money, improve service delivery and invest in the next stage of improvement, where the first stage may save over 10% of total costs.

Most councils fail to achieve a coherent alignment between Home to School transport for SEND pupils with Mainstream transport, yet alone align in five other ways.

Being aware which vehicle is where in real time isn't hard, however, knowing what the committed unmet demand is, against the flexible capability of the vehicle, the traffic congestion and secondary options gets more difficult.

Total Transport will be unleashed by great, fully integrated ICT systems, akin to 'Air Traffic Control' such that full 3D awareness connects to the assets. (3D being Eastings, Northings and Time)

9. Cooperation and collaboration

There may be several major providers of Fleet affecting full 'asset' awareness versus demand in a highly complex system, involving many suppliers, several 'clients', the whole of society, as well as a bizarre assembly of authorities, contractors, professionals and interested parties.

As society changes, then everything else shifts as well. Contracts 'written in stone, with strong governance and a stick to beat the contractor with', will add short term value and develop long term harm.

Arrangements must enable win-win-win outcomes. To meet variable demands and circumstances. On occasion the whole system will need to agree the 'Least-worst' solution.

Reducing budgets are expected to cause win-lose outcomes, for instance: The budget reduces and the amount of public buses running reduces from once every thirty minutes to once an hour.

Most often change management has areas where 'Turkeys are voting for Christmas', i.e. when the review is implemented, individuals working on the change will lose their jobs.

Eventually most changes create a 'Achieving Less for Less'. Fleet management has ample opportunities of 'Achieving More for Less', such as having a smaller fleet, with lower unit costs, delivering more services with far higher incomes.

It is imperative that all parties within vehicle and plant utilisation, seek to work in harmony, aware of demands, able to flex occasionally to meet special needs.

10. KPI's and PI's

Continual improvement needs some measures to help long term monitoring. It's often useful to think of a purpose for change as well.

In this case the purpose could be: "To continually improve the safety and availability of vehicles at a lower cost, leading to happier customers".

Key Performance Indicators (KPI's): ^ increase, v decrease

Rate of improvement of CI. ^

Total value of deployed fleet v

Average cost per deployed vehicle v

Miles driven per outcome (passengers carried, tonnes collected, potholes repaired) v

Downtime per vehicle v

Performance Indicators:

Cost per vehicle type by year / hour

Downtime per vehicle type by month

£ per 1,000 miles by vehicle types

Accidents per annum by vehicle types (No & Cost)

Vehicle utilisation (Hours per month?)

Focus on most and least?

Accidents / Issues per driver / Per operational unit.

11. Asking better questions

- 💡 Why are vehicles X, Y, Z retained but hardly ever used?
- 💡 Why does the housing unit have so many accidents?
- 💡 Why does RCV no 12 cost 25% more than similar vehicles?
- 💡 Why has downtime increased so much across the cleansing fleet?
- 💡 Why are vehicles J, P and Q being replaced when they are hardly used?
- 💡 Why are we replacing vehicle AA when it's downtime and costs are so low?
- 💡 Instead of buying a new car for XX, shouldn't we buy a nearly new one with personal plates to hide the age?
- 💡 Why are the insurance costs the same for vans and the most expensive and specialist lorries?
- 💡 Do we really use all the gadgets within the specifications for those lorries?
- 💡 Does it make sense to replace vehicles purely on age?

12. Some achievements via Lean and Systems Thinking

Fleet Maintenance 1: A large unitary council engaged SSD to reinvigorate their Systems Thinking abilities across the whole council, initially engaging us for four large interventions and two smaller ones.

The Fleet review strongly linked with Passenger Transport, Housing, Clinical Waste, and to a lesser degree Facilities Management and Parking services. The council was still learning to coexist following two thirds of the county council combining with four district councils.

There were basically still four vehicle depots, each with their own stock, systems of working and vehicle deployment. Each depot tended to have front line vehicles, dedicated spare vehicles plus a contingency spare (just in case).

Vehicles were basically replaced every five years, whether they needed to or not, and despite being capital 'cash rich' they generally leased vehicles with strenuous end of term contract conditions. (I.e. that had to carry out costly repairs before the end of hire periods)

ICT usage was good in places, poor in others. Working practices in some garages was very good, in others less so. No one shared ideas, as others simply wouldn't listen.

Back office systems were poorly designed, often having the same or similar data re-entered four times for different purposes. Facilities such as full MoT bays were under-used as mechanics couldn't be released from 'essential work'.

The info-gram (Figure 2, page 12) helped to unlock conversations, with everyone quickly aware that efficiencies

generated in one area would release staff to set up and run other enterprises, such as a new plant hire shop and to properly manage the grey fleet.

The asset replacement plan showed that £5M could be saved in the first 30 months, including financing vehicles that were 'pipe dreams' before. Having fewer vehicles to maintain, & less paper-work to fill in, released several trained mechanics to work in the MoT bays, generating income with no job losses. Costs went down income went up.

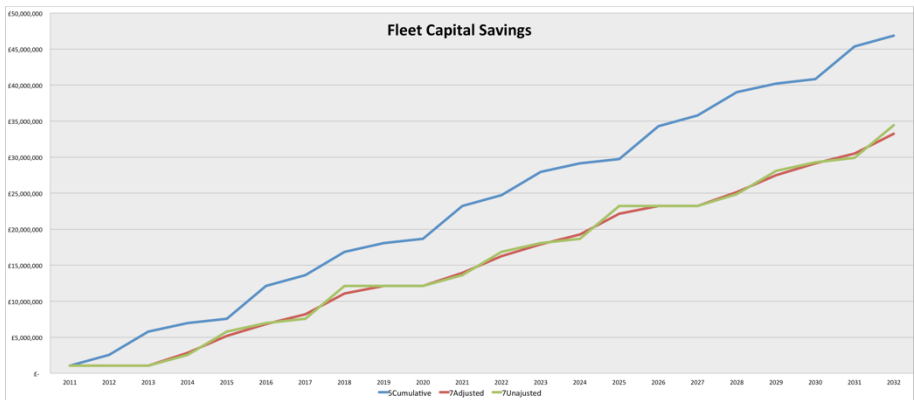


Figure 4. Fleet capital savings over time. (Blue line original plan, green revised, orange smoothed revised)

Outcome summary

The review showed that there was an array of very capable people employed in, and supporting the service, with some excellent customer participants.

Core systems were largely in place, needing polishing and integrating. While masses of data were available, little cogent information was available, and where it had been produced, no-one had used the power that information could yield. The budget structure was fractured & emerging, with key staff taking redundancy & their skills being lost.

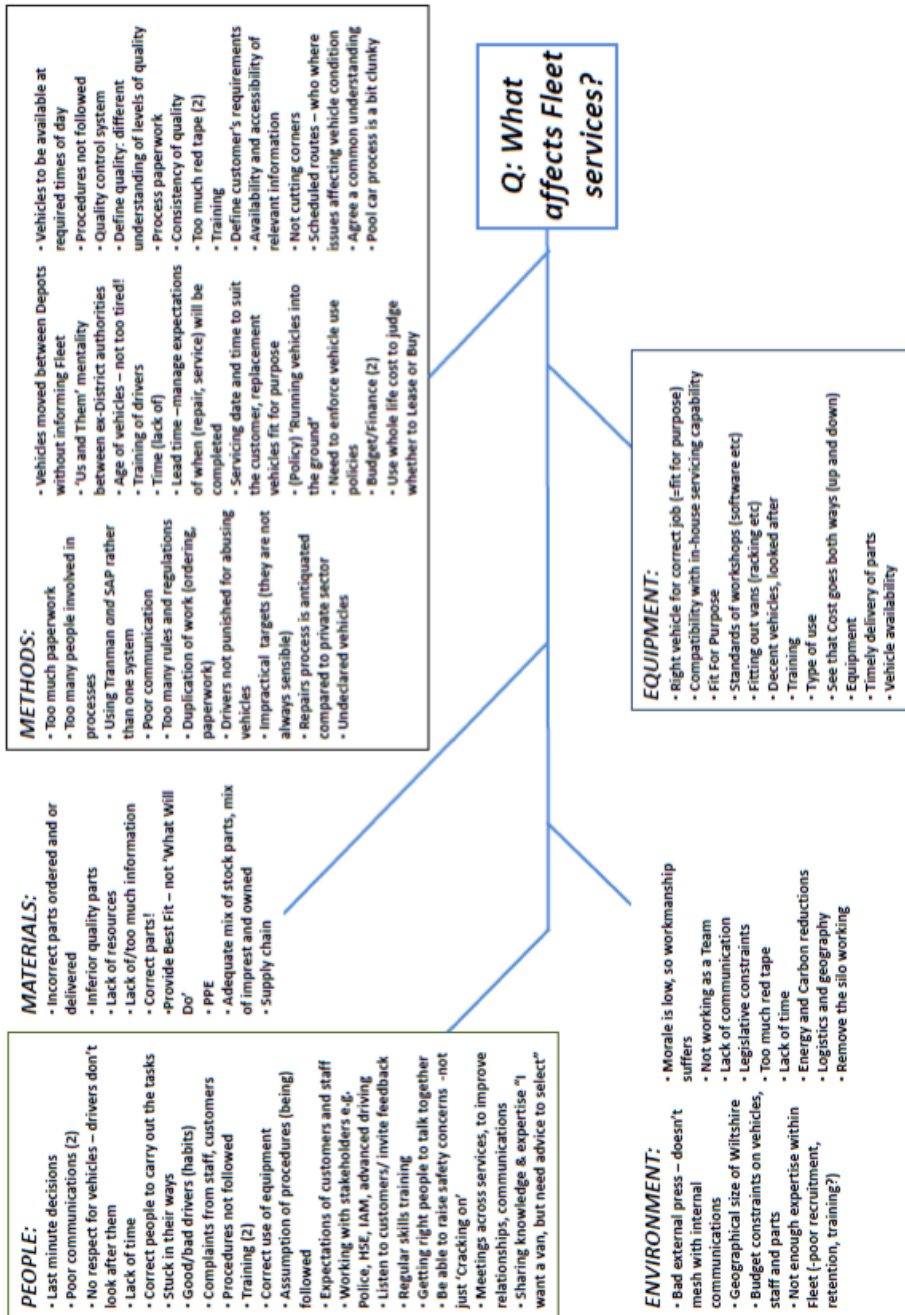


Figure 5: Cause and effect chart for Fleet.

Following initial training, the first workshop showed that there were around 90 ideas to take forward to improve, with a list of 17 'sustainable quick-wins' to move on straight away. A Transformation Team was formed, along with six threads, each led by an able volunteer, usually not the current team manager.

In the first few weeks of the review we were able to 'bank' the following improvements:

- ✓ A twenty two year capital plan, with a smoothed profile for replacement
- ✓ £5M capital savings in the first 30 months
- ✓ £800K capital savings per annum there-after
- ✓ £180,000 fuel savings per annum straight away
- ✓ Reduced external hire, increased internal hire, improved utilisation of existing fleet
- ✓ Significant operational savings for waste services
- ✓ A corporate ban on the business units buying vehicles without first consulting Fleet
- ✓ Improved safety and monitoring of external SEN services
- ✓ An agreed plan to save over £1M revenue per annum

The whole team grasped the opportunities that were enabled, internalising the review, for full ownership within their management team. They realised that a significant communications gap existed across their service and with their customers. They started to deal with that straight away. This created a spirit of hope and optimism which reversed years of apathy borne of traditional project management had destroyed previously.

Fleet services potential revenue budget plan							
Budget Flow		2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17
Base Budget	Expenditure	£5,350,000	£5,350,000	£5,350,000	£5,350,000	£5,350,000	£5,350,000
Income - expand MoT's, other authorities etc.		-250,000	-262,500	-275,625	-289,406	-303,877	-319,070
Fuel cost increases, underestimate		£200,000	£200,000	£200,000	£200,000	£200,000	£200,000
Original Net Budget		£5,300,000	£5,287,500	£5,274,375	£5,260,594	£5,246,123	£5,230,930
Changes from base budget:							
Fleet replacement with fewer / smaller vehicles		£8,658	-£43,000	-£53,750	-£67,188	-£83,984	-£104,980
Reduction in the use of fuel / using Triscan / trackers		-£45,244	-£180,975	-£190,024	-£199,525	-£209,501	-£219,976
Improved use of vehicle tracking System		-£29,318	-£117,272	-£146,590	-£168,579	-£193,866	-£222,945
Use of increased capacity in workshops for income		-£13,457	-£134,570	-£156,999	-£179,427	-£201,856	-£224,284
Legality and use, including a hire shop			-£140,640	-£164,080	-£187,520	-£210,960	-£234,400
Communications		£0	£0	£0	£0	£0	£0
Revised Forecasts							
Forecast net budget		£5,220,639	£4,671,042	£4,562,932	£4,458,355	£4,345,957	£4,224,344
Net improvement in budgets to original plan							
		-£79,361	-£616,458	-£711,443	-£802,238	-£900,167	-£1,006,586
Net improvement in budgets to 2011/ 12 original budget							
		-£79,361	-£628,958	-£737,068	-£841,645	-£954,043	-£1,075,656
Cumulative revenue improvement compared to 2011 /12 budget							
		-£79,361	-£708,318	-£1,445,386	-£2,287,031	-£3,241,074	-£4,316,730
Capital plans							
		2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17
Original based on general five year replacement plan		£3,088,000	£2,431,000	£3,881,000	£1,689,000	£987,000	£6,945,000
Revised based on seven year replacement plan		£877,500	£932,500	£1,278,000	£2,431,000	£3,881,000	£1,689,000
Reduction from fewer / smaller vehicles			£190,000	£190,000	£190,000	£190,000	£190,000
Capital savings			-£1,308,500	-£2,413,000	£932,000	£3,084,000	-£5,066,000
Ceased							
Total 'in year' original revenue plus capital			£7,718,500	£9,155,375	£6,949,594	£6,233,123	£12,175,930
Total 'in year' of revised plans			£5,413,542	£5,650,932	£6,699,355	£8,036,957	£5,723,344
Overall in year saving to the Council		£0	-£2,304,958	-£3,504,443	-£250,238	£1,803,833	-£6,452,586
Cumulative saving to the Council		£0	-£2,304,958	-£5,809,400	-£6,059,639	-£4,255,805	-£10,708,391

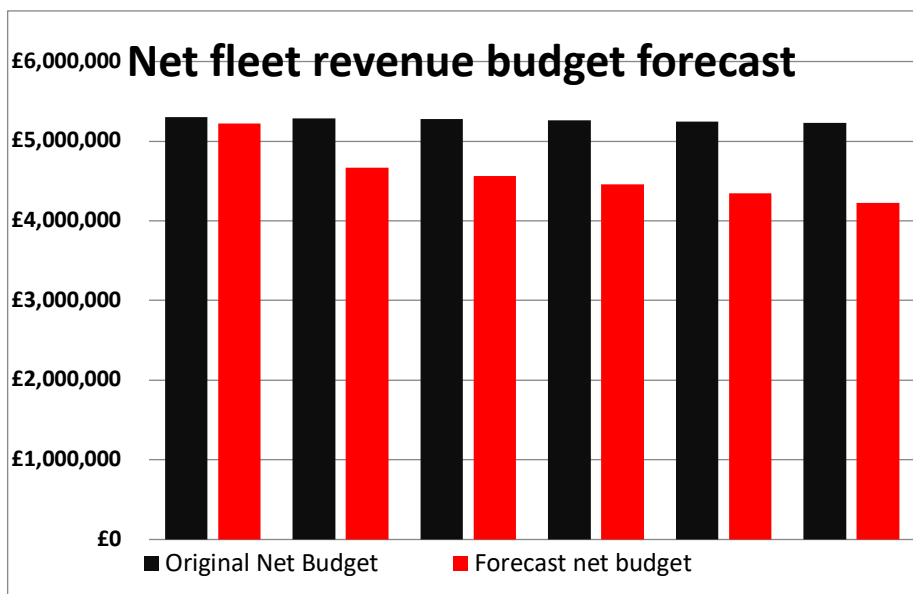


Figure 6: Five year financial Summaries. (£11M saved)

The elements included in the summary above are as follows. Each and every area was examined to be 'prudent' and checked to ensure the same figures weren't counted twice.

Fleet replacement with fewer / smaller vehicles		(Bringing spare vehicles into a central pool)	
Creation of vehicle knowledge			
Survey and detail all current fleet, via agency		£8,658	
Meet with all major fleet users re 12/13 buying			
Benefits operational		Comment or cost?	
Completes Tranman base data		Increasing information will enable better control of the fleet as a whole asset.	
Identifies all vehicles by user		Segmented demands enables improved VIM area by area	
Enables clarity regarding applicability of vehicles		Some areas have more vehicles than needed, or larger ones	
Enables informed decisions regarding:		Having the whole picture will enable some purchases to be delayed by a year plus.	
How many vehicles are needed		Aggregating spare vehicles would enable better availability with fewer vehicles	
Size of needed vehicles		Some services need a small vehicle most of the time, and a large one occasionally	
Ability to swap vehicles among users		Cross loaning vehicles will reduce vehicle hire	
Reduction of vehicles purchased in 2012 /13		A conservative estimate is that five vans worth £14,000 each will be avoided	
Buying smaller vehicles than intended		Discussions will enable smaller vans, with a cross loan option for larger	
Lower running costs from smaller vehicles		Smaller vehicles need less fuel, RFL, and servicing costs	
Reduced hire of vehicles		Vehicles are externally hired where we could deploy from within the fleet	
Operational release of time		Hours	
Fewer vehicles to buy will reduce procurement		30	Released time in Procurement
Fewer vehicles to hire, with PO and payments		100	Released time in services, and payments
Benefits financial		Annual saving	
Reduction of vehicles purchased in 2012 /13		£70,000	Capital Savings
Buying smaller vehicles than intended		£60,000	Capital Savings
Lower running costs from smaller vehicles		£20,000	Revenue savings
Reduced hire of vehicles		£18,000	Revenue savings
Lower costs because we don't have large vans		£5,000	Revenue savings
Capital Saving		£130,000	
Annual saving		£43,000	
Set up cost		£8,658	
Time to be self financing?		Less than three month	

"Right-sizing the fleet", avoiding needless vehicles.

Improved use of vehicle tracking System		Simply using the trackers in place			
Cost of System					
Benefits operational		Comment or cost?			
Will enable improved defence for insurance claims		Many claims against RCV's are opportunistic, defence can be protracted			
Incorrect use of vehicles will routinely be known		Drop off and collect children, go home for lunch			
Un-used vehicles at any point in time known		Easy to get a request to hire a van, when one is parked for the week			
Usage profiles of all vehicles will be known		Some vehicles only travel a couple of miles a day, are they needed?			
Finish times and break times visible		If a round finishes at noon every day, is there enough work?			
Can feed activity knowledge into databases		Automatic snail trailing sweepers and RCV's enable first time answers			
Use to optimise rounds		Start of day optimisation, bulky domestic, clinical etc.			
Route designs can be improved		High level reviews via snail trail of all repetitive services			
Reduce driver abuse and accidents		Drivers more aware of monitoring, thus defensive driving improves			
Lone worker awareness		Reduce risk of slow finding/ link to alarm			
Benefits financial		Annual saving			
Insurance defence		£5,863	With far less management costs chasing details		
Incorrect use of vehicles		£3,987	Not only the direct costs, but also reputational		
Reduce cross hire		£5,594	Vans and RCV's		
Route optimisation		£16,400	Reduced fuel costs, with more jobs done per day		
Activity knowledge		£7,000	Planning of cleansing routes, avoidance of double work and overtime		
Finish times		£44,984	Enable double shifting of vehicles, such as free growth of commercial waste		
Activity knowledge		£10,000	Enable longer term work absorption through knowledge		
Remove costs generated for breaks		£12,444	Already starting to stop travel to breakfast/ lunch		
Improved driver feedback to reduce damage		£9,000	Many unreported minor damages are avoidable		
Eliminate need for timesheet checks/ vehicle check		£2,000	Guess		
Reduce net holding of vehicles, via central deployment		£420,000	Avoids holding say 3 spare RCV's per hub (saving every 7 years)		
Annual saving		£117,272	Revenue savings		
Capital savings		£60,000			
Time to be self financing?		Less than 1 year			

Ensuring vehicles are correctly utilised.

Servicing of vehicles	(Addressing inspections, servicing and repairs of the whole fleet)			
Creation of vehicle knowledge				
Enabling better ways of working				
Feedback to users for times and issues				
Plus BAU				
Benefits operational	Comment or cost?			
Completes Tranman base data	Reliable information to establish service and inspection programmes			
Share inspection programme for planning	Each vehicle user group will be able to fine tune needs			
Rationalise service and inspection methods	Take out duplications, information gaps, and delays from processes			
Enables informed decisions regarding:	Having the whole picture will enable some vehicles to be taken out of service optimally.			
When to feed back on driver abuse	Some vehicles have many small defects, damages not reported			
Who to inform of very low use	Very low use is an indicator of surplus to overall needs			
How to get the best from the vehicle	Racking, low MPG, overloading all can be overlooked aspects of management			
Reduction of time, materials or delay	Reduced inspection and service regime has started to make savings			
Improved feedback regarding damage and defects	Fewer defects should occur, less time to resolve when identified in advance			
Increased capacity to do fee earning work	Improved systems, enable more MoTs, third party work			
Fewer vehicles that are rarely used	Increases third party capacity, feeds into procurement thread			
Operational release of time	Hours			
Reduced oil changes to larger vehicles	480	Released time from oil changes		
Fewer fleet vehicles	192	Released time in services as vehicles are reduced		
Benefits financial	Annual saving			
Less oil and oil filters for larger lorries	£24,000	£8000 saved in one workshop, assumed at the others		
Increased capacity for MoTs and third part work	£34,560	Using released capacity to add value (oil change)		
Increased capacity for MoTs and third part work	£13,824	Using released capacity to add value (fewer vehicles)		
Reduced paperwork across all functions	£86,400	Reduced administration can then be released to deal with vehicle hire		
Reduced damage and defects from driver abuse	£11,500	Reduced self insured damages, fewer unreported defects		
Reduced servicing intervals on vans	£54,000	Generally from 6 monthly to annual (use and guidance dependant)		
Total	£224,284			
Annual saving	-£224,284			
Time to be self financing?	Instant			

Reducing 'over-servicing' of vehicles, + Ways of Working.

Reduction in the use of fuel / using Triscan / trackers						
Cost of System		Already in place				
Benefits operational		Comment or cost?				
Stop the practice of warming vehicles in mornings		An HGV uses 8 litres of fuel per hour on tickover				
Stop parking up during the day with engine on		As above				
Stop queuing for fuel every evening		As above				
Identify needless journeys via tracking		Some journeys are purely to eat at desired locations				
Move all fleet vehicles to Triscan		Eliminates perhaps 20 hours admin per week, reduces journeys				
Run vehicles with less fuel in tanks		If all smaller vehicles were at half tank or less, MPG may increase by 2%				
		Reduction in CO2, reduces carbon offset payments				
Operational release of time		Hours				
Adult Social care (perhaps) 20 hours a week		1040	Time released in ACS to deploy elsewhere or reduce resources			
Reduced queuing time releases 15 minutes a day		25000		Time released in services to deploy elsewhere or reduce resources		
					</	

Needless engine run time, better fuel practice.

Legality and use of vehicles	(Bringing spare vehicles into a central pool)									
Creation of vehicle knowledge										
Creation of driver database within Tranman										
Dealing with cross hire / loaning of vehicles	£57,600	Redeploying people released from data entry in stores and servicing								
Centralising all training and development										
Benefits operational	Comment or cost?									
Completes Tranman base data	Increasing information will enable better control of the fleet as a whole asset.									
Enable simple awareness of driver records	Legality of driver and records via automated reminders, will improve safety									
Reinforce that vehicles are corporate assets	Some areas have more vehicles than needed, or larger ones									
Enables informed decisions regarding:	Reducing vehicles, size of vehicles and bad driving traits									
Using vehicles across services, via central information	Aggregating spare vehicles would enable better availability with fewer vehicles									
Driver issues will inform: training or deployment	Some vehicles are damaged due to careless or reckless driving with no current action									
Ability to swap vehicles among users	Cross loaning vehicles will reduce vehicle hire									
Identifying increased cross loan ahead of 'hire shop'	The hire shop will increase in scope and complexity as time goes on, incremental									
Some vehicles are unused when major demands could be met	A small fleet of minibuses in ASC could be used in H2S transport									
Improved driver awareness	Obviates most of 'corporate manslaughter' issues, safer for the community									
Feeder to starting the 'Hire Shop'	External vehicle hire reduced or eradicated, enables smaller vehicles									
Operational release of time	Hours									
Fewer vehicles to buy will reduce procurement	30	Released time in Procurement								
Fewer vehicles to hire, with PO and payments	100	Released time in services, and payments								
Benefits financial	Annual saving									
Identifying increased cross loan ahead of 'hire shop'	£66,000	Simply turning off the hire of five vans for most of the year								
Some vehicles are unused when major demands could be met	£160,000	Initial 'guess' at cost savings of eight routes for H2S transport in PTU								
Improved driver awareness	£0	Greatly improved security of mind, shown mainly in tracking								
Feeder to starting the 'Hire Shop'	£66,000	Moving forward to far more activity, including down to days and even hours of hire								
		Revenue savings								

Utilising 'spare capacity' to better manage the fleet.

[illegible]

Linking all the parts together, increasing corporate awareness in professional fleet management.

Waste, recycling and Fleet 2: A progressive district council was seeking to radically improve service delivery across their waste and cleansing operations, while shifting from just under 40% recycling to over 60%. They had set an additional budget of £300,000 to achieve that.

The whole service engaged on 'Lean and Systems Thinking' training then internal development via support from SSD.

On the first day of the support following training a significant council initiative was in 'melt down' with eight FTE's dealing with customer complaints. SSD decided to resolve those issues as a pre-cursor to the bigger review, as it was taking all 'change capacity' out of the council.

Virtually only applying 'root cause analysis' to the issue, the amount of complaints halved within two days, then halved again in the next two days. SSD staff simply hand corrected computer generated work plans for crews, to do the right work, until the source issue was corrected in the system. That took less than a week to be rectified; six days after starting the intervention, less than one FTE was involved with historic customer issues.

Vehicle costs are virtually 50% of waste collection costs, so need careful examination. The current ways of working were quite good, with a number of innovative ideas to minimise costs and downtime.

Service plans were tweaked, causes of defects analysed and reduced and the vehicle replacement plan altered to enable informed replacement decisions. The council saved £400K capital in the first year, with revenue operating cost reductions exceeding 12% in addition.

The council reduced the net spend on Waste and Recycling by £1.7M a year, while improving service delivery and increasing from 38% to 67% recycling.

Waste, recycling and Fleet 3: A city council was struggling to deliver waste collection services effectively with dozens of operational work rounds, with frequent weeks with several hundred missed collection.

While their fleet was newer, and their maintenance improved, reliable, cost effective services proved impossible. SSD were engaged to review and redesign their whole service delivery, without under-pinning Lean and Systems Thinking training.

The targets were to: Reduce missed collections to 50 a week, Save £100K per annum - Waste Collection, Save £35K per annum from Fleet, Increase Trade & Garden waste surplus by £100K. A total of around £235K per annum.

The root cause of most missed bins came from ad hoc arrangements providing 'shunt vehicles' to existing refuse rounds, unable to meet daily tonnages. Vehicle management was poor, with aggressive driver disciplines in place, with a very thin awareness of actual CPC legislation.

Waste collection rounds were completely revamped, requiring massive investment into discovering all properties and locations. Core domestic routes were reduced from 10.75 to under 8, while spare capacity was released to improve trade waste collections & introduce trade recycling.

Their vehicle tracking was 'overhauled' to enable routine live position awareness, eradicating some dubious custom and practice. Needless breaks and overtime were eliminated.

Their vehicle replacement plan was completely overhauled, enabling significant capital savings. Several KPI's were enforced for vehicle maintenance, eliminating certain aspects of 'over-servicing' and needless downtime. Vehicle hire costs were halved, while several supply contracts were made compliant with EU regulations.

The Collection savings were around £350K, Fleet around £250K and Trade around £150K, a total saving of £750K a year, against a target of £235K. There were no redundancies as a result of this review.

Passenger Transport and Fleet 4: Home to school transport is a major part of County and Unitary services. Most address Special Educational Needs and Disabilities, (SEND) while some address Mainstream Transport as well.

Initial work always focuses on route designs. In general SSD have saved an average of 15% of total costs via better, joined up, map-based route designs. SSD have also assisted in-house provisions within 4 London Boroughs, a City, a Unitary & 2 Counties with vehicle costs & utilisation.

Effectively school transport uses vehicles for 2 hours, twice a day for 190 days per annum. Enabling shorter routes reduces those time slots, enabling secondary utilisation for Social Care and other purposes can reduce costs by over 30% to each client group, prior to 'Total Transport' principles being applied.

We have often highlighted operational issues caused by corporate delays, enabling vehicle replacements and reinvestment from savings which may otherwise be banked.