



Confidential

**London Local Authorities
Commercial Vehicle Survey**

Final Report

(revised)

19 October 2010



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1 Executive Summary

1.1 The Current Commercial Vehicle ("CV") Fleet

- 1.1.1 This Report contains details of over 5,100 commercial vehicles (ie larger than car-derived vans) in the fleets of 31 London Boroughs. We estimate their capital value (at current replacement costs) at over £200 million.
- 1.1.2 This fleet is made up of a very wide range of vehicle types because the vehicles are used for such different purposes. Some are vans whose specifications are not complicated. Others, such as RCVs, may be highly complex, with the vehicle made up of equipment specified by the Borough from several different suppliers. And the uses of some are highly sensitive – moving passengers with disabilities for example and therefore requiring particular features and high reliability.
- 1.1.3 However, whilst almost all Boroughs responded to the Survey, in many cases there is no centrally held database of the vehicle fleet. The actual fleet size is undoubtedly greater.
- 1.1.4 Boroughs were unable to provide details of the vehicle fleets belonging to their contractors, even when the vehicles are dedicated for use only by the Council. So in some cases the fleet size reported is only a small fraction of that actually used to provide Council services.
- 1.1.5 If all 33 Boroughs were to need the use of the same total (in-house and contractor) number of CVs as Greenwich (510), this would mean a total population of over 16,000 vehicles, with a capital value in the order of £600 million.

1.2 Management Issues

- 1.2.1 A vehicle is often a necessary but relatively minor resource in the provision of services. In Education Departments, as one example, the number and continuous variation in pupil movements makes the provision and management of the service expensive and complex. It is common that such departments act independently of others in a Borough as regards vehicle procurement and operation. In these cases there is unlikely to be a single fleet management unit in the Council with knowledge of all the Council's vehicles. Even though the vehicles may be relatively little used, for example during school holidays or between times when schools and day care centres open and close, there is therefore no mechanism to promote the sharing of vehicles.
- 1.2.2 Also, those in a user department taking decisions on vehicle procurement and operation are likely to lack specialist expertise. This can bring significant legal risks to the Council as the vehicle operator, in respect of driver licensing, operator licensing, maintenance of the vehicle (including tailifts, or cranes, or other such equipment subject to specific regulations such as PUWER and LOLER), vehicle insurance and so on.



- 1.2.3 Finally, there is a general weakness in data collection also at a more detailed level. Necessary details of vehicle costs, use and availability are simply not recorded. Therefore decisions on their purchase, replacement and use cannot be made objectively. Nor can contracts for the provision of vehicles by contractors be tightly drawn or monitored. And inefficient use, or the use of inappropriate vehicles, is environmentally damaging as well as unnecessarily expensive.

1.3 Opportunities for Improvement

- 1.3.1 The fragmented arrangements for the procurement of CVs is highlighted in this Report. Even where there are existing collaborative procurement bodies, such as OGC or ESPO, these are used by few Boroughs, and then only for some vehicles. To get best terms from suppliers, they must be asked to bid against a specific supply volume to a standard or 'core' specification. Increased discount is of course a front-end cash saving: on the 5,100 CVs, even a modest 5% saving would yield around £4 million on the 2010 figures in this Report, or £1 million in a typical year.
- 1.3.2 The fragmentation also means that similar opportunities for cost saving exist in many other areas affecting the management and use of CVs – ranging from the procurement of software (for vehicle tracking, or fleet management, whose costs may be prohibitive for a Borough with a smaller fleet) to a shared approach to the trialling of vehicles powered by electricity or other alternative fuels (these can be very expensive, so the applicability and lessons learned should be shared), to a reduction in fleet sizes from shared utilisation between departments.
- 1.3.3 This Report highlights other areas where it should be possible to share resources between Boroughs – such as the use of vehicle maintenance facilities, although this example needs to be examined in greater detail than was possible in this Survey.
- 1.3.4 Another approach is to look to share vehicle based services between Boroughs – particularly when meeting service demands near Borough boundaries, or where the location of vehicle operating centres makes it more cost-effective.

1.4 Regional / Sub-Regional Collaboration

- 1.4.1 The diversity and fragmentation described above means that pan-London solutions are likely to take considerable resources and time to get agreement on, and implement. Smaller groupings of those with similar needs should be much more effective in the short-term – and then provide positive examples of collaborative benefits.
- 1.4.2 The 'ideal' is when neighbouring Boroughs can work together, since this maximises the opportunities from geographic overlap, and makes it easier for all those staff members involved, and where appropriate service users also, to meet together to agree and monitor



joint working. This points to ad hoc groupings where needs are similar – preferably on a regional or sub-regional basis at least in the short-term.

1.5 Action

Vehicle procurement

- 1.5.1 This report identifies the most important categories of vehicle (by number and by capital value) in the fleets reported to us. If there is to be joint procurement, there needs to be agreement between participating Boroughs as regards 'core' vehicle specifications, and numbers of such vehicle to be purchased over the next 12 – 18 months. As far as possible, the Boroughs needing the largest number of vehicles should participate.
- 1.5.2 The next steps should be to gather the details of the operational requirements for, and vehicle specifications of, the vehicle types identified – for the named Boroughs, together with other necessary data on other possible constraints – including existing contractual commitments and the different approaches to procurement (such as purchase v contract hire).
- 1.5.3 From this, draft core specifications can be drawn up for review with (jointly) those Boroughs for whom a common approach is possible. The resulting joint approach to the market should of course also be made available to, and take account of, volumes of such vehicles required by other Boroughs not part of the initial target group.
- 1.5.4 Since there will inevitably be compromises required when reaching agreement on vehicle specifications, and it will need the commitment of management time by Borough staff to produce and review the information needed, it is likely that this initiative will be more successful more quickly if facilitated by a neutral party, with the knowledge/experience to challenge Boroughs, and if clearly backed by the Borough Chief Executives.

Outsourced Providers

- 1.5.5 It is understood that Capital Ambition already has work in hand that is seeking to achieve better co-ordination between Boroughs in their dealings with contractors such as Veolia and Conway. This work should be extended so that it achieves a picture of the resource commitment – vehicles and supporting staff – and hence of duplicate and spare capacity. This would provide the basis for identifying and implementing more efficient ways of working, including more effective procurement.

Maintenance Resources

- 1.5.6 Detailed work is needed in order to identify more clearly workshop capacities, taking account of the physical environment (access, parking, layout, condition), the operational environment (range of services provided, staffing, support services) and contractually (premises' leases,



contracts with customers and suppliers), as well as Boroughs' maintenance needs for other related equipment (cars and mobile plant).

- 1.5.7 Short-term benefits should be looked for where one Borough has vehicles with an operating centre in proximity to another Borough's workshops that have under-utilised capacity. Such arrangements need clarity on issues such as work standards, charges and priorities, if they are to be effective and hence good management and data.
- 1.5.8 Longer term there should be greater benefit from a more strategic view of the use of Borough maintenance resources. Such facilities are in short supply in central London, as are skilled personnel, so they are a potentially valuable asset which at present appear under-utilised.

Management Information

- 1.5.9 Action is needed to improve the availability and use of fleet management information. However the differences between Boroughs means that they have different needs, and therefore a number of different initiatives are appropriate. At a high level, we would recommend that Boroughs make vehicle replacement decisions based on a quantified understanding of the alternatives, including not only the costs of vehicle procurement, operation and disposal, but also the funding alternatives. If such financial model is used, it will drive the collection of appropriate data, and address a common weakness noted in this Report where funding decisions are often taken without consideration of the operational cost implications.
- 1.5.10 There is also scope for the identification and sharing of Best Practice between Boroughs. Our directly relevant experience shows that this can be effective provided those participating have sufficiently common needs, have good data, and share knowledge openly. We would recommend that a number of benchmarking sub-groups be set up around specific topics: for example, the management of in-house workshops, or the management of contractors providing vehicles for specific services (such as RCVs). The groups will need to agree on the data to be shared, and this will in turn serve as a guide for those with less well developed systems. It would also be facilitated by the use of compatible computerised management information systems. Such benchmarking would then enable relevant comparisons and shared learning between London Boroughs (and with other organisations) on a cost-effective basis.

New (Alternative Fuel) Vehicle Trials

- 1.5.11 Action should be taken to ensure that the maximum value is obtained from such trials, which involve the procurement of expensive vehicles (eg an electric van for say £65K v £25K for diesel), possibly expensive infrastructure (eg a new gas refuelling station), and considerable management time to set up, monitor, evaluate and report.



- 1.5.12 Establishing a clear baseline against which results of the trial are measured is key: it must include clear definition of the operational needs and the operating environment of the vehicle. This would suggest the creation of a forum where good practice, plans and results can be shared. It should include those Boroughs already most active (such as Camden), but might later extend to provide links where trials have been completed, or to other similar sources of good practice and information.
- 1.5.13 This approach would also be valid for the exchange of information on other similar initiatives for reducing vehicle emissions, such as the use of fuel additives, or retro-fitting particulate traps, where many Boroughs have experience – although perhaps incomplete data.



2 Introduction, Scope and Approach

2.1 Introduction and Scope

- 2.1.1 Transtech Consultancy Services Ltd was appointed (Consultancy ref CA60/P1/W1/DT of 10th May 2010) to undertake a **Commercial Vehicles Survey** of all 33 London Local Authorities for Capital Ambition.
- 2.1.2 The Objectives and Terms of Reference of the Project are reproduced from the contract and are attached as Appendix 1.
- 2.1.3 At a meeting on 11 May 2010, the Capital Ambition group managing the project discussed and agreed with the consultants precise details of the scope of vehicles to be covered, arrangements for project management and reporting, timing, and other such matters.
- 2.1.4 It was agreed that, for the purposes of this Survey, Commercial Vehicles are defined as all road vehicles over 2 tonnes (ie passenger vehicles larger than an MPV, and all goods vehicles larger than a car derived van), and powered sweepers.
- 2.1.5 A brief Progress Report was made to the full Steering Group on 4 June 2010, and a draft Report of 23rd August 2010 was discussed at the meeting of the Steering Group held on 3 September 2010, with a draft Final Report of 30 September 2010 being discussed on 5 October 2010.

2.2 Approach

- 2.2.1 The approach taken in this Survey was to issue two detailed questionnaires to each Borough.
- 2.2.2 Boroughs were contacted initially at Chief Executive level by Will Tuckley (Chief Executive of Bexley and Chair of the Steering Group). Subsequent contact was made by Transtech at the level of the Borough's Fleet Manager (or equivalent). A full list of those submitting responses is attached as Appendix 2.
- 2.2.3 Boroughs received two questionnaires. The "Fleet Report" questionnaire sought details of each commercial vehicle operated by the Borough: this questionnaire was returned by 31 Boroughs, although the degree of completeness varied considerably between Boroughs. The "Fleet Questionnaire", covering contracted services, procurement, sustainability and workshops, was also returned by 31 Boroughs. Appendix 3 contains a listing of each Borough's response to the Fleet Questionnaire. The responses to the Fleet Report questionnaire have been analysed and form the basis of Appendices 4 - 9.
- 2.2.4 Those Boroughs not returning both questionnaires were:



Questionnaires <u>not</u> returned	
Fleet Report	Fleet Questionnaire
Kingston-upon-Thames	Kingston-upon-Thames
Hounslow	Ealing

- 2.2.5 It was agreed between the Steering Group and consultants that Transport for London and Veolia would also be invited to participate in the Survey. Letters were sent to both, but neither expressed interest and consequently are not included.



3 Findings

3.1 Data Availability

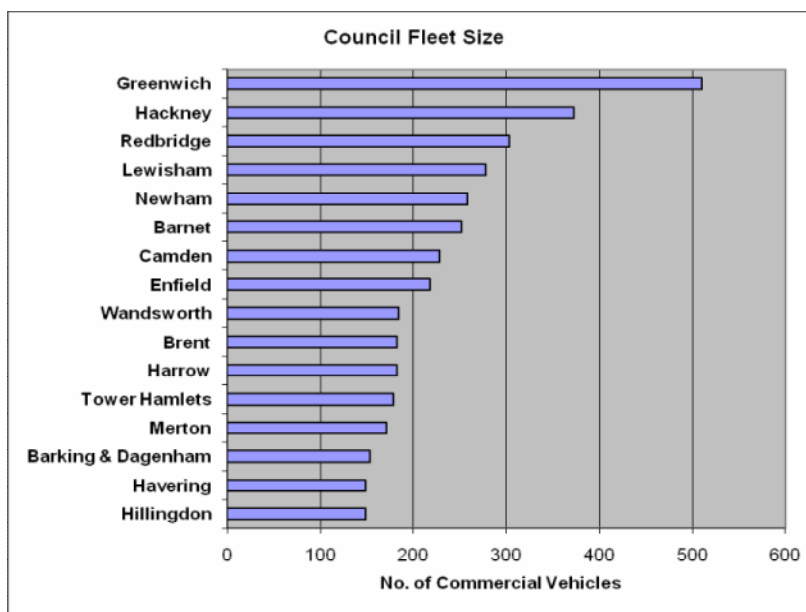
- 3.1.1 Our Findings cover what was reported to us. However the standard of fleet data reporting was very variable and in some cases inaccurate, particularly in respect of actual vehicle types/specifications and fleet ownership. Many Boroughs do not keep detailed records of the type and specification of the vehicles they operate and consequently the data reported varies from comprehensive (for a small number of fleets) to little more than a registration number and a vague description of the type. Where possible data errors have been corrected prior to inclusion of the details in this report, however it will be noted that there remain numerous instances where the required information was not available or not provided and these descriptors remain incomplete.
- 3.1.2 Our Findings are also in many cases incomplete because there are vehicles operated by a Borough details of which are not held by the 'Fleet Manager' responding to this Survey. Many Departments within Councils have the freedom to operate vehicles that are not advised to the Fleet Manager, whether owned, leased or hired. This is especially true of Education Departments. These vehicles are not included within this survey as the Boroughs themselves appear not to have records of their ownership or use.
- 3.1.3 In other Councils passenger transport has been devolved into a separate business unit to provide these services to the Education and Social Services Departments of the Council. (eg Brent Transport Services Ltd.). These may, through their workshop facilities, provide maintenance support for the vehicles operated by other Council Departments such as Parks, Waste Management, Street Lighting, Housing, Highways etc. but have no role in the management of those vehicles. These vehicles may not therefore appear on the listing provided for the survey.
- 3.1.4 As vehicles are frequently re-financed after purchase and sold to finance companies to then be leased back to the Council, Transport and Fleet Managers are not aware of the true position in relation to asset ownership. It is also common that the lease termination dates will not coincide with the vehicle replacement policy that has been advised. This could have implications for expensive vehicle retention after contract end dates.
- 3.1.5 Whilst prepared to provide data for the purposes of this survey, some Councils (Southwark specifically) were adamant that they could not participate in any framework agreements for vehicle procurement as these would not deliver the standard of service that they require from their (contract hire) vehicle suppliers. More specifically, Southwark require a replacement vehicle within two hours of a breakdown, replacement vehicles to be of the same specification and servicing to be carried out twice per year, regardless of mileage.

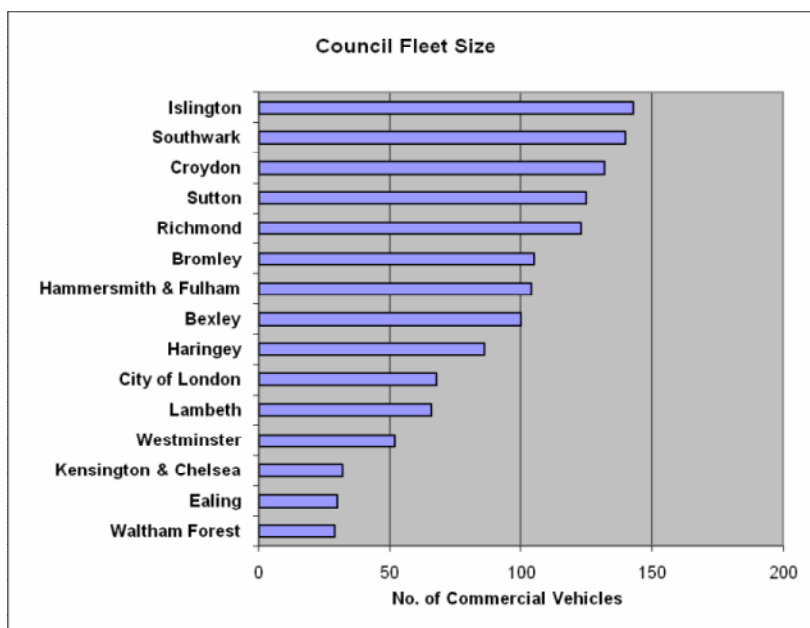


- 3.1.6 Councils with an appointed Fleet Manager do not always have a commercial vehicle fleet, these vehicles being provided and operated under service contracts by external contractors. An example is Lambeth where the Fleet Manager is responsible primarily for the car and light vehicle fleet, which was not included within the scope of this survey.
- 3.1.7 More exceptionally the provision of the Council's fleet and its fleet management are all contracted externally from the same supplier, as is the case at Westminster

3.2 Current CV Fleet Profile

- 3.2.1 From the returns made to us by 31 Boroughs, we have been able to analyse a total of 5,104 vehicles in their fleets at July 2010.
- 3.2.2 Reported fleet sizes ranged from 510 vehicles (Greenwich) to 29 vehicles (Waltham Forest), with an average fleet size of 163 vehicles.





- 3.2.3 Fleets are made up of a very wide range of vehicle types. The most numerous are vans (1755 – 34% of total), minibuses (863), tippers (793) and RCVs (557) – these four categories account for 78% of the total (by number). However, it should be noted that a significant proportion of the vehicles in the tipper and minibus categories are also van derivatives, and as a consequence the total number of van category vehicles under 3.5 tonnes GVW is probably around 2,500 or 50% of the total commercial vehicle fleet.
- 3.2.4 The high proportion of vehicles operated within this category is not surprising as this size of vehicle is better suited to urban working, has the advantages of being exempt from Operator Licensing, Tachograph / Drivers' Hours Regulations, and can be driven by the holder of a Category B (non-vocational) driving licence.
- 3.2.5 The tables below provide a summary analysis of vehicle Types: full detail by Borough is given in Appendix 4.



Commercial Vehicles in Operation - all Councils July 2010			
Van	1755	Passenger Vehicle	40
Minibus	863	Dropside	36
Tipper	793	MPV	36
RCV	557	Access Platform	31
Welfare Bus	216	Van Luton	31
Midibus	204	Gully Tanker	23
Sweeper	188	Skip Loader	17
Pickup	71	Van Library	11
Coach	68	Box Van	10
Gritter	49	Tipper/Grab	10
		Other Types	95
		Total	5104

Other Commercial Vehicles (Types <10 Vehicles)			
Electric Utility	9	Tipper/Crane	2
Library Van	9	Van Conversion	2
Tipper/Gritter	9	Van Exhibition Unit	2
Van Box	8	Jetting Unit	2
Van Refrigerated	7	Van Security	2
Not Specified	7	Cement Mixer	1
Recovery	6	Minibus Community C	1
Tanker	6	Truck crash cushion	1
Exhibition Unit	5	Truck Education unit	1
Truck Youth Service	4	Truck Library	1
Gritter 4x4	3	Van Mobile Command Center	1
Minibus Computer	3	Van Youth Service	1
Dropside Crane Truck+TL	2		95

- 3.2.6 The category definitions applied by contributors varied significantly and as a result a number of vehicles will have been classified inappropriately. Since the vehicle details accompanying these definitions were frequently incomplete, in such cases it was neither practicable nor possible to re-define the vehicle categories based on what was submitted.
- 3.2.7 It is known for example that the individual totals for Minibus (863) and Welfare Bus (216) are likely to be less precise than we had hoped, as these vehicles in particular are defined differently between Boroughs. All 40 vehicles in the Passenger Vehicle category are operated by one Borough which was unable to provide any more precise definition(s).
- 3.2.8 Within the Van category (1755), some Councils have listed Landrovers, Ford Rangers and Toyota Hi-Lux pickups, despite there being a separate category for this type of vehicle. A total of 48 Vans were not specified in terms of either manufacturer or model.
- 3.2.9 Refuse Collection Vehicles (557) is another category where it has been necessary to include a range of different vehicle types and configurations as there was frequently insufficient data to distinguish them.



- 3.2.10 Many of the Councils do not retain dedicated Gritter vehicles for winter use, but have tipper and dropside trucks with demount systems that can perform a dual role and be used as gritters when required. Those vehicles listed as Gritters (49) are assumed to be dedicated as no information to suggest a wider functionality has been provided.
- 3.2.11 Similar anomalies will be found within all the vehicle categories.
- 3.2.12 Details of the ownership of the vehicle fleet were less readily available, with the largest proportion of the total – nearly 30% - not being disclosed.

Fleet Ownership	Vehicle numbers	%
Not Stated	1,468	29
Contract Hire	1,448	28
Owned	968	19
Lease	857	17
Short Term Hire	101	2
Owned/Leased	99	2
Operating Lease	89	2
Internal lease	68	1
Finance Lease	4	0
Grant Funded	2	0
Total	5,104	100

- 3.2.13 Because the details of ownership are not always known to the Fleet Manager or person responsible for reporting the fleet data, it is likely that a significantly higher proportion of the total fleet is in fact leased or provided on contract-hire / operating lease.
- 3.2.14 This will have implications for the replacement of such vehicles as those which are externally funded by contract-hire / operating lease cannot usually have their leases extended and they need to be returned to the owner at the end of the contract. Vehicles provided under a finance lease offer a degree of flexibility enabling Councils to extend these leases when replacement is not required / possible for any reason.
- 3.2.15 Vehicles which are owned outright by the Councils, probably no more than 25% of the total, offer the greatest degree of flexibility in terms of extending the period of ownership where funding for replacements is restricted by budgetary constraints.
- 3.2.16 The number of vehicles declared as “Short Term or “Spot Hired,” is surprisingly low and is likely to be under reported in those Boroughs where the “Transport Manager” is not controlling short term vehicle hire. The continued used of short term hired vehicles is the most expensive vehicle ownership option.
- 3.2.17 Although asked to provide details of the cumulative utilisation, only 2689 vehicles (53%) had any data and the variations contained within these submissions meant that it was unsafe to rely on this information.



3.3 Proposed Acquisitions

3.3.1 We have assessed the expected replacement year of the 5,104 vehicles included in this Survey based on the following assumptions, which were analysed and applied separately for each vehicle category :

- That Boroughs with a stated replacement policy will apply it. This applies to 12 Boroughs, all of whom gave the age of the vehicle as the basis for its replacement (Haverling also take account of accumulated mileage).
- That the other Boroughs can be expected to replace their vehicles when they reach the average replacement age for the 12 Boroughs that have a policy.
- That vehicles are replaced on a like-for-like basis.

3.3.2 The first forecasted replacement year (2010) includes all vehicles which are already beyond their expected replacement date (based on the criteria as above).

3.3.3 The table below does not include subsequent vehicle replacements: it reflects only the first replacement of each current vehicle.

Vehicle Type	Forecasted Replacement Year								Total Number
	2010	2011	2012	2013	2014	2015	2016	2017>	
Van	869	143	245	215	160	87	8	28	1755
Minibus	452	79	56	93	89	50	28	16	863
Tipper	386	61	59	141	79	41	14	12	793
RCV	138	65	47	87	35	64	101	20	557
Welfare Bus	43	12	13	16	45	54	21	12	216
Midibus	81	24	22	19	3	18	7	30	204
Sweeper	70	30	10	39	31	5	1	2	188
Pickup	27	11	13	9	9	1		1	71
Coach	32	3	2	3	2	17		9	68
Other Types	149	56	35	47	45	24	16	17	389
Total	2247	484	502	669	498	361	196	147	5104

3.3.4 The table identifies that in the current year, a total of 2247 vehicles are due for replacement. Many have been deferred from previous years and not replaced due to budgetary constraints, and many will continue in use beyond 2010. The total numbers of vehicles falling due for



replacement within the years 2011 to 2016 range between 196 and 669, with an average of 452 per annum.

- 3.3.5 In order to obtain an indication of the total financial provision required, we have also assessed the approximate value of such a programme of new vehicle acquisitions, at 2010 prices, applying the same value to all vehicles of the same category, irrespective of the Borough (and hence specific specification, and number that are expected to be acquired), and irrespective of the procurement and funding policy of the Borough. Therefore in the case of large passenger vehicles, we have assumed that all such vehicles are replaced with new on a like-for-like basis, whereas it is likely that the Boroughs that operate this type of vehicle will continue to acquire used vehicles as in the past, thereby substantially reducing their capital outlay. (We have not attempted to take into account the impact of the stricter emissions limits applicable to commercial vehicles operating inside London's LEZ from January 2012: this may 'distort' replacement programmes).

Projected Capital Expenditure (£k) on Commercial Vehicles ~ Current Replacement Policies and Vehicle Costs									
Vehicle Type	2010	2011	2012	2013	2014	2015	2016	2017>	Total £k
RCV	18,310	9,025	6,265	11,775	4,615	8,960	13,715	2,630	75,295
Van	15,099	2,172	3,636	3,429	2,478	1,500	168	389	28,870
Minibus	13,146	2,180	1,545	3,009	2,970	1,519	846	625	25,840
Tipper	10,367	1,575	1,579	3,812	2,082	1,202	463	378	21,456
Sweeper	5,320	1,475	738	2,443	2,269	195	95	160	12,695
Welfare Bus	1,806	652	631	842	2,373	2,946	1,020	830	11,100
Midibus	3,959	1,198	1,085	929	190	886	350	2,160	10,757
Coach	3,243	330	270	300	220	1,350		787	6,500
Gritter	1,172	930	450		210		350	350	3,462
Gully Tanker	510	315	105	480	395	210	205	105	2,325
Passenger Vehicle	720	40	40	440	240	40	80		1,600
Pickup	556	215	244	171	177	18		20	1,401
Access Platform	770	145	105		55	140		105	1,320
Skip Loader	325	50	225	60	150	165	140	50	1,165
Van Luton	360	125	90	30	190	30		25	850
Dropside	228	249	42	30	239	42			830
MPV	333	119	94	121		20			687
Van Library	200	90	60	130		40		22	542
Tanker	360		90	90					540
Library Van	125			50	50	80	75	150	530
Other Types	1,570	435	310	655	480	310	150	70	3,980
Total	78,478	21,320	17,604	28,796	19,383	19,653	17,657	8,856	211,745

- 3.3.6 A relatively high figure of £78.5 million is required in 2010 as a result of the large number of deferred replacements. From 2011 to 2016 the annual capital procurement cost is calculated to



be between £18 and £29 million per annum with an average during this period of £21 million per annum.

- 3.3.7 Details of the vehicle categories included as “Other Types” above are shown in Appendix 5, none has an individual value exceeding £500k over the whole period.
- 3.3.8 The age profiles of each of the vehicle categories may provide an indication of the extent to which vehicles have been retained beyond their ‘expected’ replacement points, or alternatively, how far replacements can be delayed. The table in Appendix 6 gives the minimum / maximum / average ages – compared to the average age at which replacements are planned. It also shows the number of vehicles in each category. Whilst there are few cases where large numbers of vehicles are, on average, well beyond their replacement ages, there are clearly many cases of individual vehicles having very high ages: there are 8 categories where the oldest vehicles are over 20 years old, and a further 15 categories where the oldest are over 10 years old.
- 3.3.9 The average age of the 1755 vans is now 4.7 years compared with a policy replacement average of 5.7 years. Within this van fleet there is a vehicle that is now over 24 years old.
- 3.3.10 The average age of the Minibus fleet is now 6 years, in excess of the replacement policy average of 5.5 years. Within this minibus fleet there is a vehicle that is reportedly over 29 years old. The implications for maintenance and repair costs, as well as the sustainability of the fleet are clear.

3.4 Outsourced Providers

- 3.4.1 The following table summarises the position as regards the contracting out of vehicles and/or services, giving the number of Boroughs reporting in each category:

Service / Options	a	b	c	d	e
Highway Maintenance	2	0	8	19	1
Streetcare	3	0	16	9	2
Refuse Collection - Domestic	1	0	11	12	6
Refuse Collection - Trade	1	0	11	12	6
Parks & Grounds Maintenance	1	0	14	13	2
Courier/ Town Hall Services	2	3	20	2	1
Trading Standards	1	8	22	0	0
Building/Property Maintenance	1	2	12	14	1
Education Transport - Home to School	12	2	12	4	0
Education Transport - Curricular	12	4	10	4	0
Education Transport - Extra-Curricular	12	3	10	6	0
SEN Passenger Transport	2	0	19	8	1
Social Services Passenger Transport	0	0	23	5	2
Other Social Services/Probation services	6	3	17	4	0
Library Services	2	0	27	1	1
Meals on Wheels	6	0	10	14	1



Where:

a - Not applicable
b - No CVs used
c - Council operates with employed drivers and own vehicles
d - Contractor operates with their drivers and vehicles
e - Contractor provides service using Council provided vehicles

A small number of additional responses were received in this section.

3.4.2 The most frequently named contractors in each category (number of mentions) were:

- Highway Maintenance: F M Conway (8), Volker (3) & Enterprise/Mouchel (3);
- Streetcare: Veolia (4), Serco (2) & Kier (2);
- Refuse Collection – Domestic: Veolia (3), Serco (2), Enterprise (2);
- Refuse Collection – Trade: Veolia (7), Enterprise (3), Serco (2);
- Parks & Grounds Maintenance: Quadron (3), Kier (2);
- Building/Property Maintenance: Kier (2), Morrisons (2);
- Meals on Wheels: Fresh (2).

3.5 **Specialist Emergency Vehicles**

3.5.1 From the returns made to us, we have been able to analyse a total of 121 specialist emergency vehicles in the Boroughs' fleets. Details are shown below.



Council	Access Platform	Cement Mixer	Dropside Crane	Truck+TL	Gritter	Gritter 4x4	Recovery	Tanker	Tipper/ Crane	Tipper/ Grab	Tipper/ Gritter	Truck crash cushion	Van Mobile	Command Center	Total
Barking & Dagenham				4											4
Bromley				11											11
City of London							2								2
Croydon	6	1		2		3	1		2	4					19
Greenwich	2		2	3	3	1					1				12
Hackney							1								1
Hammersmith & Fulham	3														3
Havering	1								1	5					7
Hillingdon	7			6			2								15
Lewisham	3								1						4
Merton						1			1						2
Redbridge				6		1									7
Southwark	6							2							8
Tower Hamlets									1						1
Wandsworth	2								2						4
Westminster													1		1
Barnet				9					2						11
Bexley				5											5
Newham				3											3
Richmond	1														1
Total	31	1	2	49	3	6	6	2	10	9	1	1			121

3.6 Sustainability Initiatives

- 3.6.1 Information in this section has been taken from the contents of the Fleet Questionnaires, which specifically asked about alternative fuels. There was similar information noted against individual vehicles on a number of the Fleet Returns, but the two sources often do not agree in detail, although the overall picture is consistent.
- 3.6.2 12 Boroughs reported that they had currently no vehicles operating on fuels other than standard diesel (or petrol). They may well of course have undertaken other initiatives to reduce the CO₂ from their vehicle fleets – such as purchasing more modern and less polluting vehicles, or those with smaller engines, or be using additives in order to achieve such a result.
- 3.6.3 The following table shows the numbers of vehicles reported as operating on 'non-standard' fuels (where B > 10% contains more than 10% bio-diesel):



Council	Number of vehicles					
	LPG	B > 10%	Electric	Hybrid	CNG	Bio-Ethanol
Brent						2
Bromley		104				
Camden	130		1			
City of London	12					
Croydon	1					
Enfield					1	
Greenwich		614				
Hackney		10				
Haringey			1			
Havering				2		
Islington	89	254				
Kensington & Chelsea	10					
Lambeth	4			3		
Lewisham	36					
Richmond upon Thames		√				
Southwark	125					
Sutton		33				
Wandsworth	4					
Westminster City	13					
Total	424	1015	2	5	1	2

3.6.4 It can be assumed that the population of LPG vehicles will, under present circumstances, tend to reduce for financial (removal of previous grants), technical (various reliability issues) and availability (fewer models offered by manufacturers and reduced availability of LPG on forecourts) reasons. Also, these vehicles may well be operating on petrol rather than LPG since this can generally be achieved simply by operating a switch on the dashboard.

3.6.5 It can be seen from the above that a number of Boroughs are trialling new approaches, although generally with only one or two vehicles operating on a non-conventional fuel such as electricity or natural gas. Additional such vehicles are known to be joining these fleets, and in some cases more advanced trials are planned – for example with the use of a very high (85%) bio-diesel mix, up from the more common high mix of, say, 30%.

3.7 Workshop Details

3.7.1 Summary information was provided by the 32 Boroughs that returned Fleet Questionnaires. Full details are given in Appendix 3. Of these:

- 20 operate their own workshop;



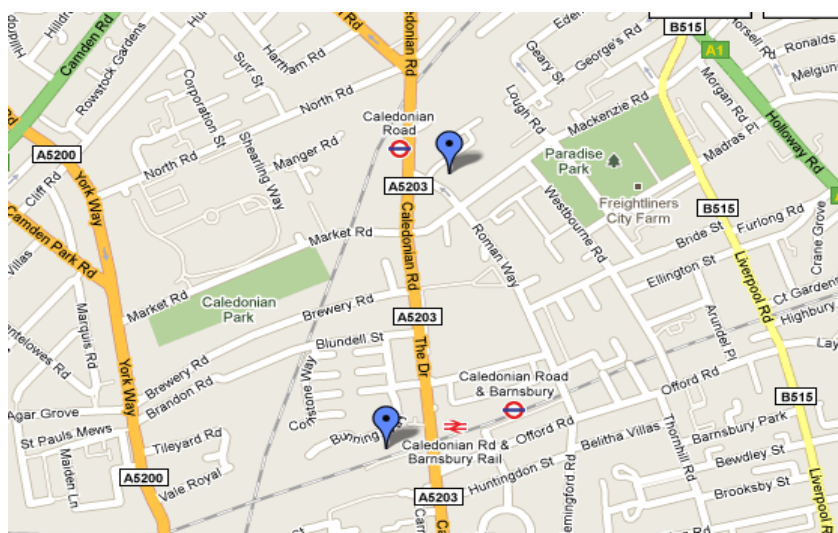
- 8 have workshops operated under contract by a contractor (including those where a contract has been awarded to an in-coming contractor);
- 5 have no workshops – work is carried out by contractors in other workshops.

Note that Croydon has two workshops – one operated by a contractor. No other Borough has more than one.

- 3.7.2 Appendix 7 contains a list giving the postcode of each workshop. When these locations are considered in more detail, it is clear that in a number of cases workshops are relatively close together, which might suggest an opportunity for shared resources. We have looked at nine such potential 'pairings', where the distances separating the workshops range from 1 mile to 9.6 miles – the latter with a dual carriageway road connection – and show the results below.
- 3.7.3 We do not have information on specific vehicle operating bases. It seems highly likely that at least some of these would be located such that it would be more convenient to travel to/from the workshop of a neighbouring Borough, rather than return to the home Borough's workshop.
- 3.7.4 It is clear however that this very limited and incomplete data can only serve to raise questions at this stage.



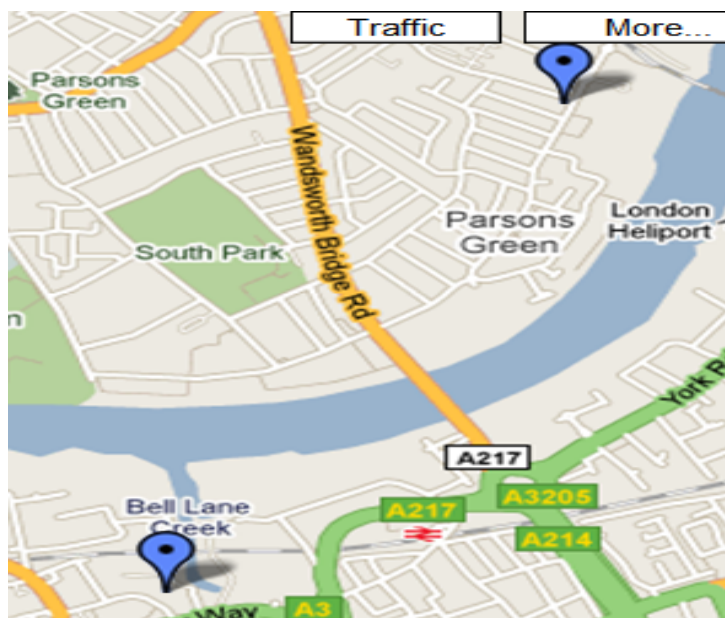
**Map A: Camden and Islington
(separation 1.0 miles)**



	Camden	Islington
Workshop Postcode	N1C 4BE	N7 8TP
Operator	Borough	Contractor
Bays	8	15
Area (sq m)		
Staff	5	
Shifts	Single day shift	Day & night shifts



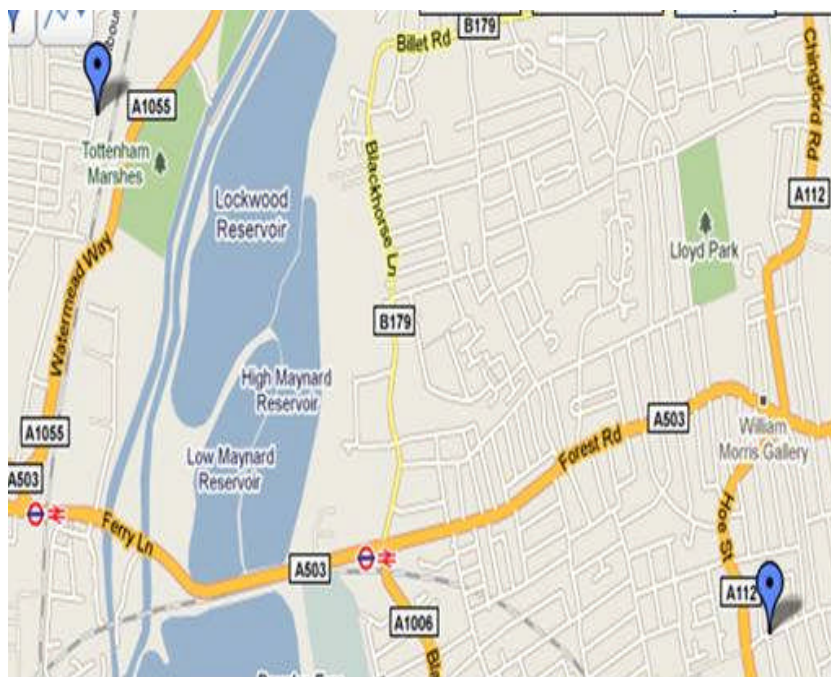
Map B: Wandsworth and Hammersmith & Fulham (separation 2.0 miles)



	Wandsworth	Hammersmith
Workshop Postcode	SW18 1EY	SW6 2QA
Operator	Borough	Borough
Bays	7	4
Area (sq. m.)	780	410
Staff	6	3
Shifts	Single day shift	Single day shift



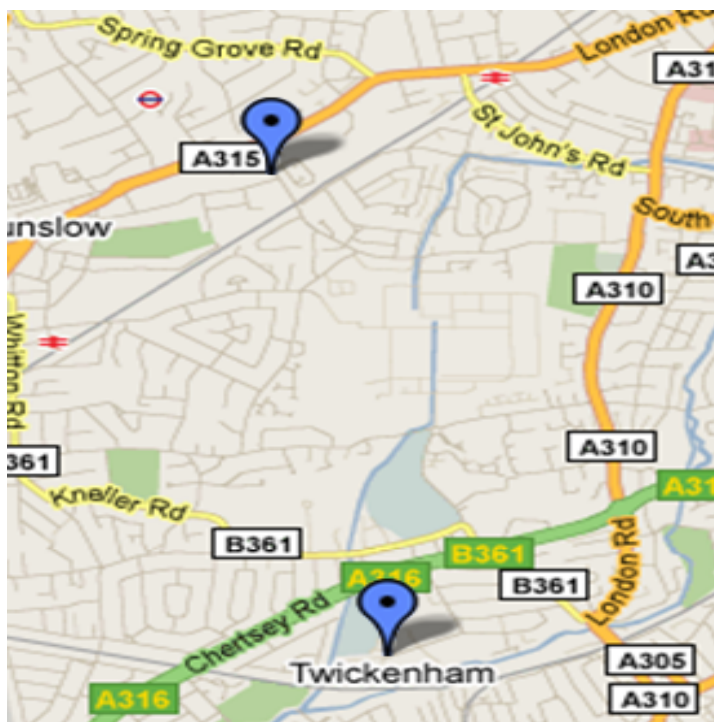
**Map C: Haringey and Waltham Forest
(separation 2.4 miles)**



	Haringey	Waltham Forest
Workshop Postcode	N17 9AZ	E17 8BS
Operator	Contractor	Borough
Bays		13
Area (sq. m.)		
Staff		2
Shifts	Single day shift	Extended day double shift



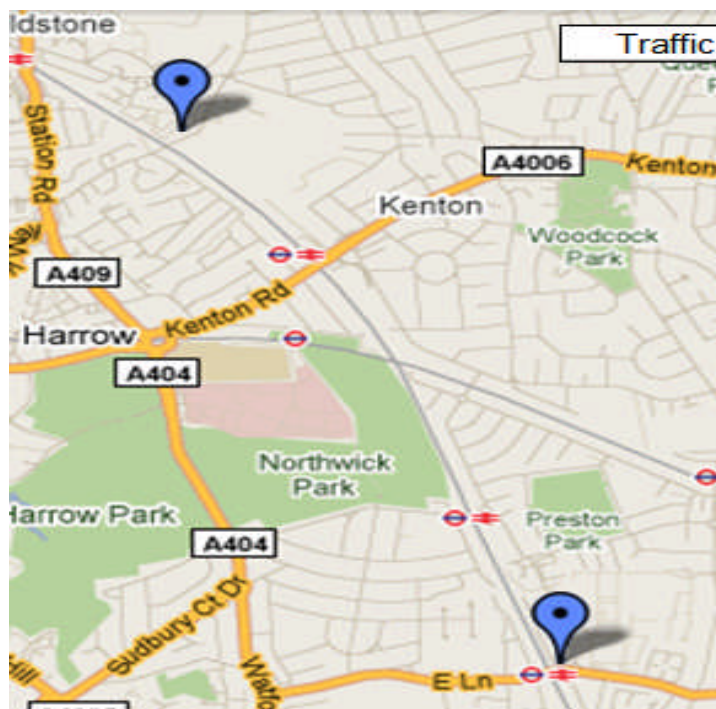
Map D: Hounslow and Richmond
(separation 2.8 miles)



	Hounslow	Richmond
Workshop Postcode	TW3 1SQ	TW2 7SG
Operator	Borough	Borough
Bays	8	7
Area (sq. m.)		
Staff	10	7
Shifts	Extended day double shift	Extended day double shift



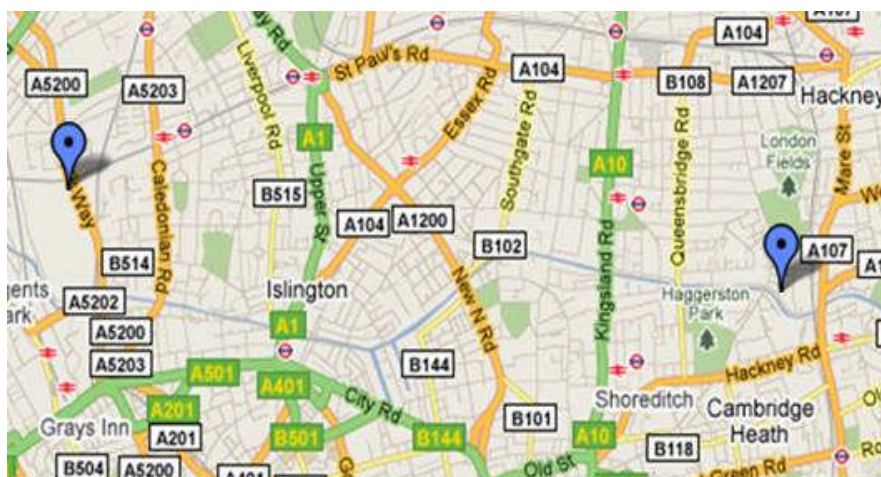
**Map E: Harrow and Brent
(separation 3.5 miles)**



	Harrow	Brent
Workshop Postcode	HA3 8NT	HA9 7NB
Operator	Contractor	Borough
Bays	7	4
Area (sq. m.)	240	
Staff	7	3
Shifts	Extended day double shift	Extended day double shift



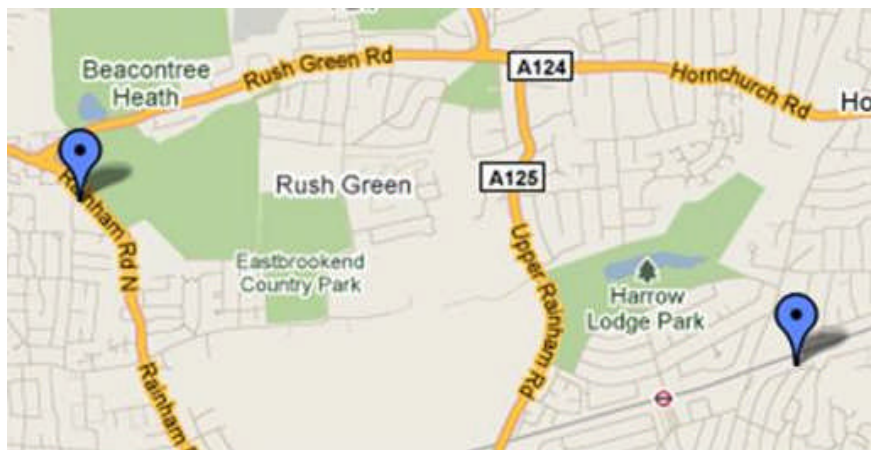
**Map F:Camden and Hackney
(separation 3.9 miles)**



	Camden	Hackney
Workshop Postcode	N1C 4BE	E8 4QL
Operator	Borough	Contractor
Bays	8	12
Area (sq m)		1600
Staff	5	5
Shifts	Single day shift	Extended day double shift



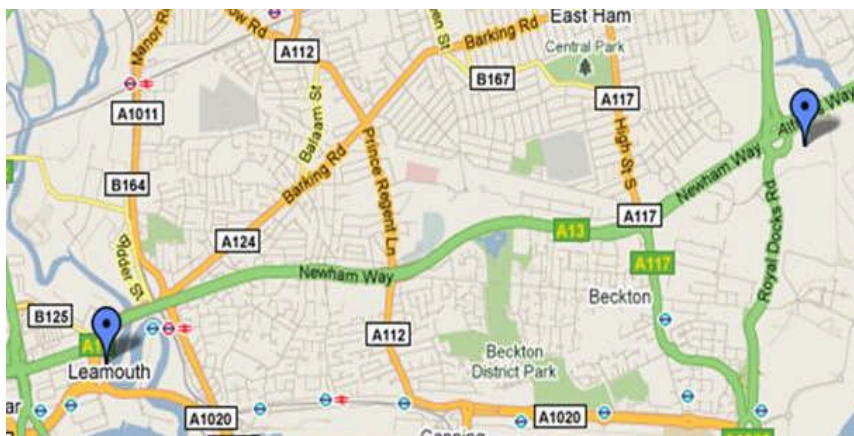
**Map G: Barking & Dagenham and Havering
(separation 4.0 miles)**



	Barking & Dagenham	Havering
Workshop Postcode	RM10 7HX	RM12 7BF
Operator	Contractor	Borough
Bays	9	4
Area (sq. m.)	2340	400
Staff	10	7
Shifts	Extended day double shift	Day & night shifts



Map H: Tower Hamlets and Newham (separation 9.6 miles)



	Tower Hamlets	Newham
Workshop Postcode	E14 0JJ	E6 6BX
Operator	Borough	Borough
Bays	6	10
Area (sq. m.)	1950	1500
Staff	7	4
Shifts	Single day shift	Extended day double shift

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3.8 Barriers to Vehicle Sharing

- 3.8.1 Neither of the two questionnaires specifically asked for comments against this heading since it would have required – or at least given the opportunity for – ‘narrative text’, whereas the whole approach was designed to be highly structured in order to make questionnaire completion as straightforward as possible for respondents and thereby get a high response rate.
- 3.8.2 However, from our many years of directly relevant experience, we are able to draw Conclusions as regards vehicle sharing, based also on the other Findings. These are contained in section 4.7 of this Report.



4 Conclusions

4.1 Current CV Fleet

4.1.1 In addition to the conclusions (below) as regards opportunities for different procurement arrangements, it is clear to us that there are opportunities at all levels for better vehicle utilisation. Improved utilisation levels would of course reduce the number of vehicles needed and hence reduce both direct costs – capital and running – and overheads.

4.1.2 Where individual users keep control of vehicles, it is rare that sharing of use takes place with other users – even in the same department. Such ‘silos’ of course also make it very unlikely that vehicles are shared between departments in the same Borough. For this to happen, information about the vehicle’s existence, specification, pattern of use, availability, location and so on must be held ‘centrally’. For comments on the barriers to vehicle sharing between Boroughs – see below.

4.2 Proposed Acquisitions

4.2.1 Given the significance of the expected procurement of vans, we have analysed in more detail the vans currently in the fleet (see section 3.2 above). Appendix 8 gives the totals by manufacturer and by model. Ford is the leading manufacturer with 795, of which 479 are Transit models. Next comes Vauxhall (177): then LDV (176) – whose replacements are, by definition, open. The only non-Ford model with more than 100 is the VW Caddy with 128.

4.2.2 This suggests that, if meaningful specifications can be established, a joint procurement exercise could perhaps provide benefits to many Boroughs, and also serve as a ‘model’ for such collaboration. We have therefore produced Appendix 9 which shows the expected replacement vans by manufacturer, by model, by year, and by Borough. From this it can be seen that the most significant numbers are likely to be procured by Hackney, Camden and Greenwich, with other Boroughs such as Barking & Dagenham and Wandsworth also featuring.

4.2.3 We are aware of a current procurement being undertaken by Hackney Council for vans, which has been framed to allow other Boroughs to participate. However, it is Hackney’s policy to procure on the basis of contract hire with maintenance, whereas many Boroughs do not include maintenance but purchase or lease vehicles without maintenance. This aspect would need clarification in the event of a joint approach to the market.

4.3 Outsourced Providers

4.3.1 The current situation appears to be very fragmented, with relatively few contractors featuring widely. It must also be recognised that contract values will vary considerably, as will contract terms, termination dates, local competitiveness and so on.



- 4.3.2 We are aware that Capital Ambition is already engaged in a parallel dialogue with Veolia and Conway, who are amongst the most prominent service providers to multiple Boroughs. This would therefore seem the most appropriate channel for moves forward in this area.

4.4 Specialist Emergency Vehicles

- 4.4.1 Section 3.4 above provides the information required – subject to the earlier caveats as regards completeness and accuracy.

4.5 Sustainability Initiatives

- 4.5.1 The largest group of vehicles using an alternative fuel was that operating on LPG. However these vehicles are in practice dual-fuel vehicles and are capable of running on ULP. Due to the unsatisfactory experience of many Councils in using this fuel, it is unlikely that they will generally be replaced with similar LPG fuelled vehicles in the future. The advantages of low fuel cost and reduced levels of harmful emissions have been largely mitigated by poor fuel consumption and an unacceptable level of mechanical reliability.
- 4.5.2 A very small number of electric vehicles and hybrids are in use, mainly on a trial / evaluation basis to determine their practicality and usefulness for the future, although high capital costs are likely to deter Councils from opting for this type of vehicle in any significant numbers in the very near future.

4.6 Workshops

- 4.6.1 The analysis shown in Section 3.6 suggests that there may be opportunities for better use of workshop resources from some sharing of these assets between neighbouring Boroughs.
- 4.6.2 However individual cases will need much more detailed consideration. Some of the issues needing investigation are:
- 'external issues' (travel times to/from operating centres, access restrictions);
 - contractual issues (building occupancy, staff employment conditions, risk/cost sharing between Boroughs, basis of charges);
 - work scope (mobile plant, cars, third parties);
 - performance standards (priorities, collection / delivery, provision of replacement vehicles, 'penalties', reporting);



- basis of charging (misuse, standard times, repeat work, overheads)
- facility capacity (parking, layout, tooling);
- and so on.

4.6.3 In some Boroughs there will be as many items of mobile plant as vehicles. This would have a significant impact on workshop/fitter capacity. Whilst the maintenance requirements for many items are quite small (trailers for example would only require an on-site annual inspection by workshop staff), other items such as tractors and driver operated mowers may require the same maintenance hours as a commercial vehicle.

4.6.4 Some workshops may carry service reserve vehicles because items such as sweepers are used from say 0500 - 2400 hours. This is particularly the case for Boroughs that have active nightlife, where areas outside of clubs and pubs are required to be cleaned after turn out time.

4.7 Barriers to Vehicle Sharing

4.7.1 Consider first the sharing of vehicles, but not drivers. There are a number of issues which are likely to inhibit significant sharing of vehicle use. In addition to a daily/mileage charge, procedures would need to be put in place and monitored for such things as:

- vehicle handover procedures;
- charging for damage;
- charging for maintenance;
- charging for cleaning;
- vehicle collection/delivery responsibility/cost;
- vehicle non-availability (unplanned);
- fuel provision/charging;
- insurance (MIB notification).

4.7.2 Larger vehicles, >3.5t gvw and operated under a Goods Vehicle Operator's Licence will require the acquiring Council to have a current Operator's Licence and a margin to accommodate the use of additional vehicles. With these provisions satisfied the subject vehicles can be transferred from the Operator's Licence of the Council owning the vehicle to that of the acquiring Council for the duration of the transfer.



- 4.7.3 By implication the vehicles to be shared would not be needed for use by the owning Council, effectively being spare, surplus or infrequently used. In these times of financial stringency, it is unlikely that any Council would wish to participate in vehicle sharing where to do so would be an admission of surplus capacity that would be subject to internal challenge.
- 4.7.4 It may therefore be easier and more practical to share the vehicle and driver, i.e. one council performs the service for the other. In this way the other council can be charged and the risks associated with just sharing the vehicle avoided.
- 4.7.5 Examples of this could be in Education, Special Needs and Social Services passenger transport between adjacent Councils. Grounds Maintenance could also be another suitable candidate for the sharing of transport services. Collaboration could reduce duplication of routes and parallel operations. The result would be a reduced need for costly passenger vehicles (and drivers) benefitting all sharing participants. Whilst there would be a need to address issues corresponding to those identified above as regards vehicle sharing, the potential benefits would be greater as a result of manpower efficiencies gained.
- 4.7.6 In both cases (shared vehicles and shared vehicles-and-drivers), unplanned changes in the levels of demand for such resources, or the standards of service to be achieved, would need to be addressed in a manner satisfactory to both parties.

4.8 Other

- 4.8.1 We feel that a number of additional observations are worth recording, even though they are strictly outside our Brief. We have therefore not examined them in any detail.
- 4.8.2 In addition to the collaborative procurement of vehicles, there may be scope for Boroughs to collaborate in the procurement and/or use of other fleet related 'goods' or services. Specific examples could be:
- specialist software (for fleet management, vehicle tracking, vehicle scheduling, etc). These systems are often beyond the resources of one Borough, particularly where its fleet size is limited, and collaboration can affect purchase price, support/training costs etc;
 - vehicle spot-hire arrangements;
 - taxi services.



4.8.3 The weakness in the availability of fleet data is important:

- There are direct financial implications, both short and long term (for expenditure planning and control, vehicle replacement planning, and so on).
- Operational efficiency is reduced if the suitability and availability of vehicles is not known.
- Appropriate sustainability measures cannot be assessed and implemented cost-effectively.
- And, not least, Boroughs are very likely to be in breach of specialist transport legal requirements as regards Duty of Care, Operator Licensing, Drivers' Hours Regulations (EC / Transport Act), vehicle loading, PUWER, LOLER, and so on. They may not be aware of this – unless/until found to be in breach, with the consequent penalties ranging from fines to the complete revocation of operator's licences for goods or PSV vehicles.
- Given that Boroughs operate in a geographically defined area, meeting similar needs, there should be scope for collaboration to identify and share best practice. However effective benchmarking requires sound base data in order that the validity of comparisons can be assessed, any necessary adjustments made, and then conclusions drawn. As already mentioned, sustainability trials would benefit from such co-ordination. But there would be benefits in all aspects of fleet management. When such data is routinely available, the cost of benchmarking is small: if the data has to be collected for the sole purposes of benchmarking, its validity is very questionable and the costs are likely to be too high.
- The lack of data also makes it difficult for any contracted out arrangement to be defined precisely as regards the nature, volume, and standard of the Borough's requirements, and for any contract to be managed effectively by the Borough.