



FLEET AND PLANT ASSET MANAGEMENT PLAN 2013-2018

DRAFT

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FLEET AND PLANT ASSET MANAGEMENT PLAN 2013 - 2016

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1.0 About this plan

This plan has been developed in accordance with the Council's Corporate Asset Management Plan 2013-2018 and summarises Orkney Islands Council's aims and objectives for our assets to ensure that they are used in an effective and efficient manner. The delivery of the plan supports Orkney Islands Council's corporate priorities in Our Plan 2013-2018 and is based on our values. It also provides detail on our future investment strategy and the effect this will have on our assets.

The function of asset management within Orkney Islands Council applies to all types of physical asset held by the Council. Assets are classified in the following six generic categories:-

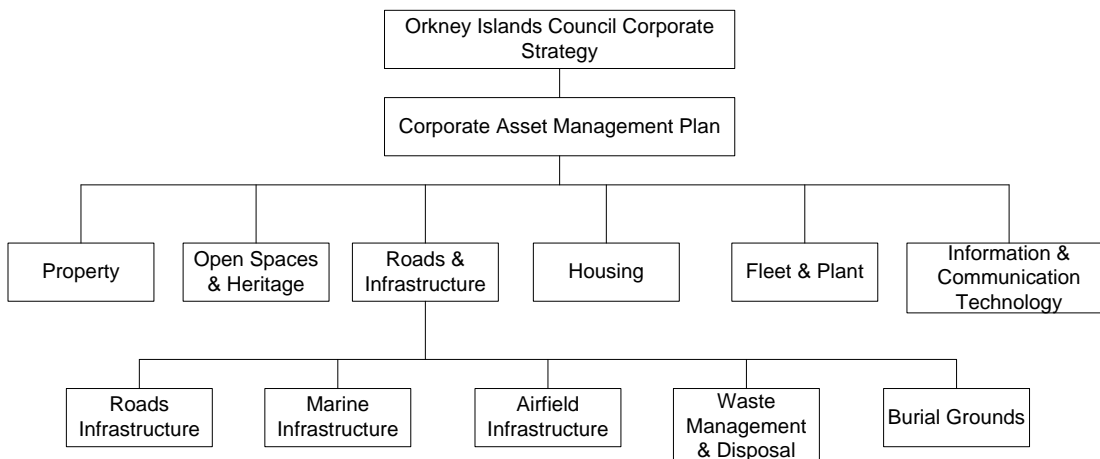
- Property
- Open Spaces and Heritage
- Roads and Infrastructure
- Housing
- Fleet and Plant
- Information and Communications Technology (ICT)



The roads and infrastructure category covers:-

- Roads Infrastructure
- Marine Infrastructure
- Airfield Infrastructure
- Waste Management and Disposal
- Burial grounds

Separate detailed plans are being developed for each asset type which will set out how we will achieve our asset aims and objectives. The Fleet and Plant Asset Management Plan has the common theme with the other asset categories of offering a critical appraisal of existing asset performance and the decision-making requirements that follow such work. The common framework is shown below:



2.0 Background

2.1 The Wider Context

In recent years Councils have risen to the challenge of developing increasingly robust asset management planning frameworks. Most councils in Scotland have started to embrace Asset Management Planning (AMP) as a compulsory requirement for not only the proper management and monitoring of assets but critically as a tool for sound investment decision making.

There have been several key influences in the development of Asset Management Plans.

- The abolition of the S94 capital controls in 2004 and the replacement of this investment system by the Prudential Code. This Code allows Councils the freedom to invest and borrow, provided it takes place within the confines of affordable limits.
- The former Scottish Executive invested heavily in publicising best practice asset management techniques for the schools estate in 2003. This led to increased monies for the schools fund, a set of guides for the preparation of detailed school estate management plans and an annual set of core facts. The progress achieved by asset management planning in schools has created the momentum for best practice procedures in other Council services.
- It was the stated intention of the regulator (Audit Scotland) to allow local authorities some breathing space in the period 2005 to 2008 to put in place proper asset management and capital planning decision making frameworks and for a full audit of such systems to be arranged post 2008. In 2009 a review of Asset Management in Local Government was undertaken by Audit Scotland resulting in the headline “Councils need to improve their asset management”. Guidance has been made available to Councils and subsequent audits have focused on the implementation of asset management utilising the Best Value Framework and Toolkits.

An integrated asset management/capital planning system is a critical part of the good management of any organisation and a key principle in ensuring that all investment decisions are considered within an overall systematic appraisal system that includes the use of business cases and option appraisal.

2.2 The “building blocks” of Asset Management

Taken in its totality and, especially when linking to the capital planning system, asset management can be a complex subject. The need for Business Cases for all investment bids and the use of option appraisal techniques complicate this even further. However asset management consists ultimately of a few key drivers that when correctly interpreted offer the ‘building blocks’ for sound decision making. Collecting the data is a time consuming and expensive process but this forms the key database on which well informed decisions and analysis can take place and allows us to reap innumerable future benefits. The information for each of these drivers forms the bedrock of the asset management decision process, monitoring and reporting on the performance of the assets and the formal basis on which Capital Project Appraisal (CPA) and the capital planning system can be built. The drivers are as follows:

Key Driver	Description
Energy Performance	<p>Energy consumption has social, environmental and economic impacts on the community. The management of existing properties and the provision of new buildings should maximise the social and economic benefits of development whilst minimising the environmental damage resulting from the use of energy and resources. All Authorities are required to comply with the requirements of the Energy Performance of Buildings Directive that places a duty on the authority to investigate and monitor the energy performance of all buildings over 500m².</p> <p>Consideration must be given to the level of energy performance required of new buildings in order to minimise the environmental impact of future building work. Further consideration must be given to the reduction of carbon emissions once the method of Local Authority participation has been prescribed by Scottish Government in meeting their duties in terms of the Climate Change (Scotland) Act 2009</p>
Condition	<p>It is essential there is an understanding of the condition of all assets. Sampled surveys or full 100% surveys are therefore required to form a reliable picture. Usually, a graded system is used to categorise the condition of assets.</p>
Suitability	<p>This is sometimes called the 'fitness for purpose' test. Many organisations find it difficult to assess whether an asset is delivering returns for the purpose for which it was intended. It goes beyond any question of condition and is concerned with how well the asset is suited to its current purpose. An example might be old head office premises that are in good condition but are cramped and full of corridors and small offices that are not suited to 21st century working. This is a suitability issue rather than one of condition.</p>
Sufficiency	<p>This is about current and sustainable demand for the asset. Sufficiency is concerned with asset use both now and in the future. It is critically important because it helps to identify underutilised assets that can be identified for possible disposal or reconfiguration. It is primarily concerned with asset capacity compared to asset use and again taking the example above of the head office premises, it may have a capacity of say 300 people but is currently occupied with say only 100 meaning an occupancy rate of only 33%. In this case this would be the key sufficiency indicator for the asset.</p>
Revenue Costs	<p>The costs of operating the asset are important. The asset management plan needs to include the revenue costs of running the asset in order that maintenance costs and heat and light costs are not only controlled but within ranges the Council wishes to pay. In theory these costs should be in line with the condition rating for the asset but information on the two should assist in deciding the relative merits or otherwise of continued, economic asset use.</p>
Accessibility	<p>This can be on two levels. The first is linked to the Equality Act 2010 and how much the asset is accessible to people with disabilities. The second is concerned with accessibility generally. For example, there may be a special piece of computer equipment that can only be used by suitably trained Council personnel. In this case it would be useful to ensure that operatives are correctly identified and appropriate cover is in place (avoiding the situation of reduced usage-sufficiency-because of the unavailability of qualified staff).</p>
Value	<p>Commonly overlooked in asset management plans, but a list of values of assets not only act as a reliable inventory check, but can ensure that an accurate, appropriate valuation is listed. This might not necessarily be the valuation in the accounts but could be one that the responsible asset manager knows is an accurate market value (if the Council wished to dispose of the asset) or of a replacement value if he/she wished to replace the asset.</p>

3.0 Asset Management planning in Orkney Islands Council

3.1 Approach to Asset Management

It has been widely recognised that effective and efficient use of assets requires corporate visibility of all relevant data, a consistent approach to management, an understanding of all service requirements and an objective means of prioritising investment. These principles have been embodied within the Corporate Asset Management Plan 2013-2018 which was approved by Council in October 2013 and provides an asset management framework to drive the development of service plans and establish the principles of corporate performance reporting and investment prioritisation.

The Fleet and Plant Asset Management Plan has been developed within the approved framework and should be read in conjunction with the Corporate Asset Management Plan 2013-2018.

The Council has established Buildings and Facilities within Corporate Services with responsibility for the planning, management, review and provision of a cost effective and efficient property and assets service.

A Capital Planning and Asset Management Strategy Group has been established to provide co-ordination, direction and operational asset management planning and the Senior Management Team, acting as an Officers' Capital Working Group, provides an oversight of the management of corporate assets within Orkney Islands Council and a decision-making gateway to ensure that management decisions are undertaken in a corporate manner.

3.2 Officers' Capital Working Group

The Senior Management Team, acting in its capacity as an Officers' Capital Working Group, is chaired by the Chief Executive. The group provides an oversight of the management of corporate assets within Orkney Islands Council and a decision-making gateway to ensure that management decisions are undertaken in a corporate manner. It is supported by a Capital Planning and Asset Management Strategy Group.

3.3 Capital Planning and Asset Management Strategy Group

The Capital Planning and Asset Management Strategy Group provides co-ordination, direction and operational asset management planning. It is chaired by the Head of Finance and attended by Heads of Service, as nominated asset managers, and lead officers from the Finance Service. It is responsible for the following:-

- Establishing procedures to compile, monitor and report on the capital investment programme over both the medium and long term including whole life costing.
- Ensuring the preparation of a comprehensive range of options as part of the business case for future investment.
- Co-ordinating future options for investment between different asset types to avoid any potential duplication or shortfalls.
- Ensuring the development of the complete Corporate Asset Management Plan to support options for future service delivery.
- Co-ordinating the collation of investment options for those not driven by the asset management plan.
- Co-ordinating the development of Capital Project Appraisals in respect of specific investment proposals for consideration and prioritisation by the Council, and thereafter inclusion in the detailed capital programme, as appropriate.
- Ensuring a consistent approach across Orkney Islands Council in matters relating to the utilisation, management and maintenance, and where appropriate rationalisation, of corporate assets.
- Monitoring and reporting on progress in relation to the development of the Corporate Asset Management Plan.
- Raising corporate asset management issues.
- Disseminating best practice in the management of assets, while acting as a "critical friend".
- Identifying potential improvement and good practice in the management of the council's assets.
- Co-ordinating the development of a suite of asset management performance indicators.

4.0 Fleet and Plant –Aims and Objectives

4.1 Aims

“To provide an efficient and effective Fleet Management and Vehicle Maintenance Service to support service delivery”

4.2 Objectives

We will ensure Council Services have the appropriate vehicles to carry out their responsibilities and duties by:

- Advising Service Users on economic maintenance and replacement periods for vehicles.
- Holding regular meetings with Service users
- Offering 24 hour workshop support on call-out basis.

We will ensure vehicles are maintained to VOSA (Vehicle Operator Services Agency) standard by:

- Regular safety inspections (currently every 12 weeks for vehicles under 3500kg and 6 weeks for vehicles over 3500kg as defined by the terms and conditions applicable to our Operators Licence OM0021811)
- Ensuring vehicles are fit for purpose and kept roadworthy and comply with Construction and Use (C&U) Regulations.
- Undertaking pre-MOT checks prior to presenting vehicles to VOSA for Class IV, V & VII MOT tests.
- Providing refresher training for mechanics.
- Using approved and calibrated inspection equipment.

We will ensure Fleet Asset Management information and data is collected and stored effectively by:

- Ensuring asset register is updated as and when new vehicles arrive and are disposed of.
- Updating of individual files and service records.
- Ensuring fuel providers provide electronic consumption data by vehicle registration number.

We will demonstrate Best Value by:

- Benchmarking with other authorities.
- Benchmarking with Private Sector.
- Self-evaluation using “How Good is Our Council?” format.

We will consider the needs of Stakeholders by:

- Holding regular meetings with service users.
- Advising on legislation and new technology.
- Arranging vehicle demonstrations or inspections.

We will ensure vehicles are environmentally friendly by:

- Using the latest engine technology available to comply with emissions standards.
- Monitoring fuel consumption and carbon emissions
- Promoting and organising driver training courses.
- Carrying out a Green Fleet review with assistance from the Energy Savings Trust
- Evaluating alternative fuels.
- Trialling Low Emission Vehicles (LEV) and Zero Emission Vehicles (ZEV)

4.3 Context

The Council has a fleet of vehicles and plant that support in the delivery of services. These include:

- 62 vehicles over 3,500kg
- 61 cars and vans up to 3,500kg
- 44 pickups and minibuses up to 3,500kg
- 12 Disabled access buses
- 2 Zero Emission Vehicles (Electric)
- 83 registered and licenced items of plant including tractors and paving machines
- 161 non registered items of plant including excavators, forklifts and compressors
- Various fixed plant items including waste balers and a bitumen mixing plant

Plant items and fleet stock currently has a replacement value of £14M.

The Council provides fleet maintenance services for all its fleet from garages at Hatston Industrial Estate, Kirkwall, augmented by agreements with private sector providers.

5.0 Delivery Arrangements

5.1 Asset Register and Replacement of Fleet and Plant Assets

A top sliced capital budget of £1,000,000 per annum was established in financial year 2008-2009 for the replacement of existing fleet and plant assets. The top sliced budget has been reviewed taking account of the Retail Price Index (RPI) and a top sliced capital budget of £1,200,000 has been set for financial year 2014-2015 onwards.

Although reference has been made to budget for financial year 2014-2015 the data for financial year 2012-2013 as at 31 March 2013 is applied throughout this plan as the most recent audited data and the base year for measuring performance. A register of plant, equipment and vehicles is held and is updated to take account of all additions and disposals. The Plant, Equipment and Vehicle Assets held on 31 March 2013 from which base performance has been calculated are detailed by service in Annex B.

A procedure for establishing a programme for the replacement of plant and vehicles has been developed to ensure services with a requirement for plant and vehicle replacements are afforded the opportunity to present their case for an allocation of funding that would be assessed in an objective manner.

The procedure for the replacement of plant, equipment and vehicles takes into account the information held on the asset register with “useful life outstanding” as a key factor. The procedure has been developed to ensure any identified requirement for the replacement of assets is linked to Council, Service and Community priorities, to the information held on the asset register, with “useful life outstanding” as a key indicator of the need for replacement, and to the condition, usage and suitability of the asset to be replaced. The procedure is attached as Annex A to this plan.

5.2 Roles and Responsibilities

The Council has established the Buildings and Facilities service within Corporate Services with responsibility for the planning, management, review and provision of a cost effective and efficient property and assets service. The function of asset management within the Council applies to all types of physical asset held by the Council. Assets are classified into six generic categories one of which is Fleet and Plant.

The nominated asset manager and lead officer for Fleet and Plant is currently the Head of Buildings and Facilities reporting to the Executive Director of Corporate Services. The Head of Buildings and Facilities is supported in matters relating to the management of and procurement of the Fleet and Plant asset by a team from Roads and Environmental Services within Development and Infrastructure, headed by the Fleet Manager. The Executive Director of Corporate Services presents reports in respect of the management of the fleet and plant asset to the Asset Management Sub-committee and the Policy and Resources Committee.

The Head of Roads and Environmental Services reporting to the Executive Director of Development and Infrastructure is the lead officer for the operational management and maintenance of the Council's plant and fleet assets and the Fleet Manager reporting to the Head of Roads and Environmental Services is responsible for delivering these services and for fulfilling the duties of "Transport Manager" in terms of the Council's Operator's Licence (O Licence). The O licence is the legal authority needed to operate goods vehicles in Great Britain.

Services are responsible for identifying the assets needed to deliver the level of service approved by the Council, seeking governance through the appropriate Service Committee and in the case of new or additional assets securing funding through the Policy and Resources Committee. Procurement of fleet and plant assets is overseen by the Head of Buildings and Facilities and progressed through the team lead by the Fleet Manager. Replacement of existing assets is funded through the top sliced capital budget subject to the Service Executive Director supporting the need for the replacement and the replacement meeting approved selection criteria.

The Executive Director of Corporate Services will ensure that the performance of assets is monitored and reported to the Asset Management sub-committee and that programmes for the replacement of plant, equipment and vehicles are presented to the Asset Management Sub-committee for approval.

6.0 Investment Planning

The Council invests in assets to enable and facilitate the delivery of its functions and services in an efficient and effective manner. Services identify the need for assets and in order for the delivery of services to be sustainable reinvestments are required to replace assets at the end of their useful life, subject to confirmation from the service users that there is a continuing need for the asset. It is inevitable that the collective investment need identified by services at any given time will be far in excess of the estimated available financial resources making the projection of resource requirements over time and a process for the corporate prioritisation of these requirements essential.

The Council has adopted an integrated asset management and capital planning framework which incorporates the corporate prioritisation of projects across all services. An example of a corporate prioritisation financial analysis report is attached as Annex C. The outturn costs for financial years 2011-2012 and 2012-2013 have been detailed in Annex C in order to provide some context to the potential overall resource requirements to sustain the asset holdings across the Council services including fleet and plant.

All assets on the plant, equipment and vehicle asset register are allocated a useful lifespan that governs the rate of depreciation financially, identifies the whole life cycle of individual assets and allows a theoretical replacement schedule to be calculated. The parameters for calculating useful life are currently 7 years for light vehicles and 10 years for lorries, specialist vehicles and items of plant. An assessment of asset condition is made by the Fleet Manager and Service users will review their service needs annually.

A theoretical replacement schedule for plant and vehicles has been developed to aid forward planning that will be updated as events happen and reported on annually. The 20 year projection of resources requirements based on need for financial years 2013 – 2032 is detailed in Annex D. The average cost, calculated over the 20 years without allowance for inflation or the replacement of the bitumen tar plant at Cursiter Quarry and the waste baler at Chinglebraes, is £1,574,000 per annum. The average cost per annum including the replacement of the tar plant and baler is estimated to be £1,849,000 per annum.

7.0 Performance Management

7.1 Performance Management Process

The performance of Fleet and Plant Asset management within Orkney Islands Council will be based on data held within the Council's financial system, "Integra", the costing system "New Horizon", the records required under the Council's Operator's Licence OM0021811 and the Council's fuel dispensing and monitoring system "Fortress".

The data from these systems relating to financial year 2012-2013 has been fully audited and will be applied as the base year for measuring performance. Feedback on performance for financial year 2013-2014 will

be reported to the Asset Management Sub-committee in September 2014 and thereafter annually in June based on final but unaudited data and accounts.

Parameters, criteria for classifications and weightings of data have been set to enable performance data to be compared and trends identified. For example the scoring system detailed in Annex A has been weighted to give a ratio of 7:9 between those factors linked to Council, Service and Community priorities and risk to service delivery and those linked to operational factors including the condition, usage and suitability of the asset to be replaced. The adequacy of these parameters and weightings will be reviewed and if need be amended in September 2015 and annually thereafter throughout the life of this plan.

7.2 Energy Performance and Environmental Impact

Energy performance and environmental impact will be assessed by measuring fuel consumption and calculating Carbon Dioxide (CO₂) emissions. CO₂ emissions in tonnes will be reported annually and an indicator of CO₂ Emissions in tonnes per 1000 miles will be used to identify trends. Further indicators and emission targets will be reviewed through the Council's Carbon Management Programme by September 2015.

European emission standards define the acceptable limits for exhaust emissions of new vehicles sold in European Union (EU) member states. The emission standards are defined in a series of European Union directives staging the progressive introduction of increasingly stringent standards. The stages are typically referred to as Euro 1, Euro 2, etc for Light Duty Vehicle standards and Euro I, Euro II, etc. for Heavy Duty Vehicles. Annex E sets out the staged timetable as at 31 March 2013 and the emission limits at each stage.

The current specification for replacement of Council vehicles includes vehicles with engines to the highest available Euro standard. Heavy duty vehicles produce the highest emissions and therefore the compliance of heavy vehicles within the Council to the Euro standards will be monitored and reported annually. Euro 6 standards were first registered on 31 December 2013 and will be incorporated into performance reports for 2013-2014 onwards.

The Council and the Orkney Community Planning Partnership are committed to promoting the trialing and introduction of Low Emission Vehicles (LEV) and Zero Emission Vehicles (ZEV). The Orkney Community Planning Partnership's Electric Vehicle Procurement Support Scheme has funded the installation of 5 charging points for electric vehicles on the Orkney Mainland and has assisted the Council in funding the procurement of 2 electric vehicles. The purchase of low and zero emission vehicles will be promoted through this asset plan. Performance on the procurement of these vehicles will be monitored and reported annually.

7.3 O Licence Performance

The Driver and Vehicle Standards Agency (DVSA) are responsible for ensuring the compliance of commercial operators, drivers and vehicles with roadworthiness standards and road safety regulations through the delivery of authorisation and vehicle testing services and provision of information, advice and education. It is empowered to take enforcement action against operators, garages or commercial drivers who are non-compliant with the conditions of an O Licence.

DVSA can revoke or suspend an O Licence; reduce the number of vehicles a licence holder is authorised to use; put conditions on a licence restricting the weights of vehicles a licence holder is allowed to use on their licence and/or their hours of operation; or take action against the licence holder's transport manager(s), particularly where serious infringements have been reported. It is therefore essential in order to ensure that fleet and plant assets can continue to be used to deliver services that the conditions of the O Licence are met.

The enforcement organisation monitors pass rates of vehicles presented by an operator for MOT tests and using this information along with other results from inspections applies a risk based measurement called an Operator Compliance Risk Score (OCRS) which is used to calculate the likelihood of an operator being non-compliant. OCRS bands range from Green to Red based on the number of defect points accumulated by an operator. The Council's performance in respect of compliance with the O Licence will be measured by monitoring and reporting annually on the Operator Compliance Risk Score, the percentage pass rate of vehicles presented for MOT tests and the number of restriction or prohibition notices issued in any given year.

7.4 Asset Performance

The key indicators used to assess the performance of fleet and plant assets are the “useful life outstanding”, maintenance costs, usage, and the suitability of the asset. The indicators for each asset are banded from A (Green) to D (Red). In the case of vehicles the status of each indicator is reported separately and combined to calculate a “Fleet Score”. The Fleet Score is an integral part of the procedure for the replacement of plant, equipment and vehicles set out in Annex A to this plan. The Fleet Score for vehicles contributes towards the prioritisation of applications for replacement assets.

The suitability of an asset is assessed by evaluating user responses to a User’s Vehicle Questionnaire a sample of which is attached as Annex F. Responses are scored from 1 (Strongly disagree) to 5 (Strongly agree) and banded as follows:- A= 21–25; B= 16–20; C= 11–15; D= 5-10.

The outstanding useful life of a vehicle is combined with its maintenance costs by means of a weighted formula to calculate a Vehicle Life/Maintenance score to measure the assets performance in terms of revenue cost in comparison to the average maintenance cost for all the vehicles of that type. The scores are banded as follows:-

- A = maintenance cost 50% below average maintenance cost for vehicle type
- B = maintenance cost between average cost and 50% below average maintenance cost
- C = maintenance cost between average cost and 50% above average maintenance cost
- D = maintenance cost greater than 50% above average maintenance cost

The usage of a vehicle is based on the mileage recorded over a year. The performance in terms of high or low usage in terms of mileage in comparison to the average mileage recorded for all the vehicles of that type. The scores are banded as follows:-

- A = mileage greater than 50% above the average mileage
- B = mileage between average mileage and 50% above average mileage
- C = mileage between average mileage and 50% below average mileage
- D = mileage greater than 50% below average mileage

The life/maintenance, usage and suitability data for vehicles is held for each asset and combined using a weighted formula to establish a Fleet Score as illustrated in Annex G. The Fleet Scores are used to identify vehicles that should be considered for replacement and are banded as follows:-

- A = No action required
- B = No action required unless imbalance identified between usage and maintenance costs
- C = Serviceable but costs to be monitored and replacement accelerated if costs escalate
- D = Replacement due, subject to Service needs.

The data for individual assets and Services is collated to measure the performance of all vehicles as illustrated in Annex H. The combined Fleet Scores for all vehicles within the Council will be reported annually to identify trends.

8.0 Asset Management Performance – Base Year 2012-2013

8.1 Energy Performance and Environmental Impact 2012-2013

Carbon Dioxide Emissions (CO ₂) – Vehicles: 2012-2013	
Carbon Dioxide Emissions (CO ₂) in Tonnes	740.5
Carbon Dioxide Emissions (CO ₂) in Tonnes/1000 miles	132.6

Compliance of vehicles over 3,500kg to European Emissions Standards: 2012-2013		
European Emissions standard	Vehicles	% of Vehicles
Euro I compliant	0	0
Euro II compliant	5	8.06
Euro III compliant	27	43.55
Euro IV compliant	21	33.87
Euro V compliant	9	14.52
Total	62	

Low Emission Vehicles (LEV) and Zero Emission Vehicles (ZEV): 2012-2013		
	LEV	ZEV
Cars	0	1
Vans	0	0
Pick-ups	0	1
Total	0	2

8.2 O Licence Performance 2012-2013

Driver and Vehicle Standards Agency (DVSA) Assessments: 2012-2013	
Operators Compliance Risk Score (OCRS)	0 - Status Green
Restriction Notices Issued	0
Prohibition Notices Issued	0

MOT Test Results: 2012-2013			
Vehicle Classification	Total Pass Tests	Pass Re-test	% of Total Tests
Class IV	44	0	29.53
Class V	12	0	8.05
Class VII	34	0	22.82
HGV	59	7	39.60
Total	149	7	
First time pass rate			95.30
Re-test rate			4.70

8.3 Asset Performance 2012-2013

Fleet Life and Fleet Score – All Vehicles: 2013-2013	
Fleet Life	%
In fleet life	33
Out of fleet life	67
Fleet Score	
A = No action required	15
B = No action required unless imbalance	20
C = Serviceable but costs to be monitored and replacement accelerated if costs escalate	35
D = Replacement due, subject to Service needs.	30

9.0 Strategic Direction and Investment Requirements

The parameters for calculating useful life are currently 7 years for light vehicles and 10 years for lorries, specialist vehicles and items of plant. There is a marked increase in costs when assets are maintained beyond these periods. Analysis of the Council's fleet and plant asset, as detailed in Annex B, demonstrates that only 33% of vehicles and 39% of plant are within fleet life. The proportion of assets that are within fleet life should be increased to maximise reliability and minimise maintenance costs.

The proportion of fleet and plant assets that are outwith fleet life reflects the inadequacy of the top sliced annual asset replacement programmes since financial year 2008-2009. Consideration has been given to the existing top-slicing arrangements for the asset replacement programme going forward into financial year 2014-2015 resulting in the annual Plant and Vehicle Replacement Programme budget being increased to £1,200,000. This however falls far short of the 20 year projection of resources requirements detailed in Annex D. The funding secured through the top-slicing arrangements should be increased to meet the replacement of assets over time in order to ensure sustainable and efficient delivery of services.

It is recognised that the adequacy of the parameters and weightings which have been applied within the procedure for the replacement of the fleet and plant assets will be reviewed in September 2015 and it is therefore considered that an option would be that, as a first step, a budget of £1,420,000, approximately 90% of the identified average annual need, should be sought for financial year 2015-2016. The top sliced budget will be updated in light of the outcome of the review and thereafter its spending power in real terms could be maintained by the application of annual increases in line with the Retail Price Index (RPI).

10.0 Annexes

10.1 Annex A – Plant, Equipment and Vehicle Replacement Procedure

10.2 Annex B – Plant, Equipment and Vehicle Assets at 31 March 2013

10.3 Annex C – Sample Corporate Prioritisation – 10 Year Projection

10.4 Annex D – Fleet and Plant Projection 2013 - 2032

10.5 Annex E – European Heavy-Duty Diesel Engine Emissions

10.6 Annex F – Sample Users Vehicle Questionnaire

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