

## TRANSPORT VEHICLE AND PLANT - FULL BUSINESS CASE

**Note: This is an extract from the full business case which is available through the Member's Portal**

### **2.0 Executive Summary**

#### **2.1 This business case seeks to deliver:**

- A unified "Whole Council" approach to fleet management, maintenance and operation. Achieve value for money on a whole life, whole service basis and generate efficiencies whilst minimising damage to the environment
- A reduction in staff travel costs and grey fleet risk for the Council

#### **2.2 This business case proposes:**

- A corporate approach to Fleet Management
- Improved utilisation of the Council fleet of vehicles and plant
- To reduce the cost, risk and carbon footprint of staff travel

#### **2.3 Adopting a corporate approach to Fleet Management will:**

- Reduce cost by determining the Council's optimum fleet size
- Ensure that vehicle and plant specifications provide value for money to the Council
- Promote the use of dual purpose and interdepartmental sharing of vehicles & plant
- Reduce the cost and volume of external vehicle and plant hire
- Create savings by implementing new working practices within the Vehicle and plant maintenance workshop
- Fully centralise vehicle and plant management
- Manage the vehicle and plant replacement programme including disposal
- Hold all "spare" vehicles and plant and hire internally to user departments

#### **2.4 Improving utilisation of the Council fleet will:**

- Reduce the operating cost of the Council's fleet of vehicles and plant
- Provide operational management with better utilisation information reports
- Reduce the Council's carbon footprint
- Improve vehicle and plant efficiency
- Reduce the fleet size

#### **2.5 Implementation of a pool car system will:**

- Introduce a pool car scheme for all employees
- Reduce the cost of staff travel
- Reduce the risks to the Council associated with employees using their own vehicles on Council business under duty of care legislation
- Reduce the Council's carbon footprint

## 2.6 Staffing

- No significant staffing implications are envisaged during the implementation of this project
- Savings will be achieved through a revision in the vehicle maintenance workshop operating hours and will require union negotiation and changes to staff contracts.
- Optimising vehicle workshop staffing levels will create savings by a reduction in overtime and subcontractor costs.
- The equivalent of one full time employee would be required for pool car administration and logistics estimated at grade three. This cost has been included in the pool car costs and benefits table.
- Staff numbers will be continuously reviewed and reassessed as the project is implemented

## 2.7 Implementation

If this proposal were approved there would be two implementation phases:

- Phase one covers the centralisation of Fleet Management functions to Fleet Services and implementation of 33% of the anticipated pool car fleet and is programmed for completion by July 2010
- Phase 2 will implement the full pool car scheme and reduce the Council fleet to its optimum size and is scheduled for completion by January 2011.

## 2.8 Benefits and Costs

The benefits and costs of this proposal has been calculated at a high level and savings are indicative – see table below. Savings will be refined as further work is undertaken.

The Moray Council  
Designing Better Services  
Transport Vehicles and Plant  
Benefits/Cost Summary

Area of Theme	Impl Costs	Annual Running Costs	Total Costs Year 1	Annual Benefits	Net Benefits Year 1	Net Benefits Year 2	Net Benefits Year 3	Net Benefits Year 4	Net Benefits Year 5	Net Benefits Years 1- 5
	£	£	£	£	£	£	£	£	£	£
Centralised Fleet Service & Better Utilisation	50,000	31,000	81,000	332,000	251,000	301,000	301,000	301,000	301,000	1,455,000
Pool Car Project	15,200	460,800	476,000	576,000	100,000	100,000	100,000	100,000	100,000	500,000
<b>TOTAL</b>	<b>65,200</b>	<b>491,800</b>	<b>557,000</b>	<b>908,000</b>	<b>351,000</b>	<b>401,000</b>	<b>401,000</b>	<b>401,000</b>	<b>401,000</b>	<b>1,955,000</b>

N.B:

Pools car costs are based on 100 cars covering 12,000 miles per annum each.

