

APPENDIX B: COMMISSIONED TRANSPORT FLEET VEHICLE REPLACEMENT PROGRAMME

In 2014 the budget for special educational needs (SEN) transport, and children looked after transport (CLA) was transferred to the transport operations team. Prior to this the budgets and transport arrangements had been the responsibility of the appropriate teams within the people directorate. During this time the transport was predominantly outsourced to private transport operators.

A high percentage of this transport was single occupancy taxi provision, and there was an issue with a lack of availability of wheelchair accessible vehicles within the county, meaning that a single wheelchair passenger may have to be transported in a minibus sized vehicle. The rural nature of the county means that there is a limited number of external transport providers. The vehicles that they can provide tend to be cars or larger buses, and there is a dearth of accessible minibuses and taxis.

Concurrently, the council had a small fleet of 4 vehicles and 5 staff which was predominantly used for the transport of adult social care (ASC) clients, school meals, and library services.

As a result from September 2015 the council decided to expand its own in-house fleet to see if the spend on SEN and CLA transport could be reduced by:

- providing transport to multiple individuals on one vehicle (where appropriate);
- providing wheelchair accessible transport; and
- moderating the market through introducing more competition and potentially lowering prices.

The fleet provides a flexible transport solution that can provide transport for SEN, CLA, ASC and mainstream education. This means that it can cater for last-minute and short term journey requirements which often arise, particularly for CLA. It can also cater for movements at one end of the day only, and users with more specialist needs usually at a lower cost than the market. This enables the council to meet its statutory obligation to provide home to school transport. The value of having an in-house fleet in terms of flexibility has been demonstrated recently, for example on occasions when it has not been possible to get a price from any local operator to provide transport to a child.

The Transport team take transport requests from the People Directorate which contact detail about the individual, the transport required, the origin and destination and any particular needs. The needs in this request are verified through liaison with the relevant case worker or social worker and review of any documentation. A working group with transport team members and representatives from the People Directorate provides a further verification. Transport needs are reviewed annually and changes made to provision if necessary.

Without the fleet there may be a delay in providing transport (which could place the council in breach of its statutory obligations). Furthermore, the cost of outsourcing transport is likely to be at least £90,000 higher than the cost of using the in-house

fleet. This is based on a comparison undertaken looking at the cost of providing the service in-house compared to the lowest tendered cost for each service during the annual OJEU tendering round.

THE CURRENT FLEET

The fleet has 14 vehicles, of varying specifications, and these are utilised to deliver the following core transport services:

- Special Educational Needs (SEN)
- Looked After Children (CLA)
- Adult Social Care (ASC)

More recently, use of the in house service has been expanded to support wider transport operations to ensure best value.

- Home to School
- Post 16
- Visions - Children's Centre.

Four of the vehicles are used by Brightways between 10am and 2pm when they are not required by the Transport Operations Team. The composition of the current fleet is shown in Appendix A.

FLEET REPLACEMENT

When the fleet was established, very low cost vehicles were procured as the establishment of an in-house fleet was an experiment. Many of these vehicles are reaching the end of their useful lives, and are becoming increasingly unreliable and expensive to maintain. As such, approval of a two year replacement programme is being sought. It is likely that a further four vehicles will be required during 2021/22 – 2022/23. Additional funding will be sought for these at the appropriate time.

The main issue that is being encountered with the vehicles relate to the tail lifts (required to enable a wheelchair user to board the vehicle). On the existing buses these are increasingly starting to fail as they are exposed to the elements and these are expensive and complex to repair. They are internal on newer vehicles so should have a longer useful life. Alongside this issues are increasingly being encountered with: suspension, rear springs, clutch, alternator, gearbox and vehicle electrics. Due to the age of the vehicles it is not cost-effective to keep repairing them. Repairs also take the vehicle off the road and increased time out of service presents a risk to service provision. Finally the bodywork of the vehicles is now very poor with previous repairs and rust showing through the paintwork. These vehicles are branded and therefore the public are aware they are council vehicles. By way of illustration, maintenance costs for 19/20 year to date are shown in table 1.

Approving the programme for the next 1.5 years, then seeking funding for replacing a further two vehicles the following year, and two the year after means that vehicles

can be replaced on a rolling basis as necessary, and should reduce the risk of a large number of vehicles requiring replacement in bulk in the future. It also allows the fleet to embrace new cleaner technology as it becomes available. However, where a number of similar vehicles are required the cost of replacing the group of vehicles as a whole within a single year will be explored to identify if any bulk discount is available. The most economical approach that secures the efficient and effective operation of the fleet will be adopted.

The vehicles that are replaced will be sold with the exception of one that will be retained as a spare vehicle to only be used to ensure service can be maintained in the event of another vehicle being taken out of service. This will not require recruitment of additional staff.

Replacement criteria

On 18th September 2018, Cabinet (Report No: 141/2018) approved funding from the Integrated Transport Capital Grant for the purchase of four vehicles to replace ageing vehicles on a legacy lease arrangement. These vehicles are shared between Transport Operations and the Brightways team. In that report it was accepted that the following criteria would be used to determine when a vehicle should be replaced:-

- a) The vehicle has reached 10 years of age, OR reaches 150,000 miles, whichever occurs first; or
- b) Increases in maintenance costs, faults or breakdown present a risk to service delivery, or any changes to service requirements (passenger numbers/ types/ nature of routes etc).

It is proposed that these criteria remain in place to underpin future vehicle replacement. Please note that these criteria are inclusion criteria, not exclusion criteria meaning that a vehicle must meet them in order to be replaced BUT a vehicle meeting them does not have to be replaced. For example a vehicle that is over ten years old and has 151,000 miles might not be replaced if it is still operationally serviceable and replacement is not deemed a cost effective decision.

Vehicle types

In terms of the types of vehicles that are required, it is necessary to enhance the flexibility of the fleet to cater for an increasingly varied range of client needs and destinations, and to mitigate future recruitment issues. In relation to the latter point, there will be fewer D1 licence holders in the future who are able to drive larger vehicles (drivers who gained their licence after 1997 and have not taken an additional qualification do not have the necessary D1 entitlement). It is not cost-effective to provide this training in-house due to the cost and high staff turnover.

To achieve this flexibility existing vehicles might not be replaced like for like and in some cases smaller vehicles might be preferred to help with fleet versatility and staff recruitment and retention.

Two larger minibuses will be retained (15/16 seats) to cater for home to school

transport routes delivered in-house.

ENVIRONMENTAL IMPACT

Consideration has been given to purchase of electric or hybrid minibuses. Currently suitable vehicles are not available from the market. Electric minibuses are only just coming to market and available range is currently too low (especially given the increased power required to operate adaptations such as passenger lifts). A major concern is the ability to turn vehicles around without delay, achievable with conventional fuel but, where recharging is required, with the technology currently available this could result in vehicles being off the road at peak times. The cost of electric or hybrid vehicles is also much higher than conventional fuel, coupled with the additional capital investment required for the vehicles and charging points. However technology is advancing rapidly and it is hoped electric minibuses suitable for the fleet needs will be available soon. Whilst these are likely to be initially more expensive to purchase, maintenance and running costs are likely to be lower (service and maintenance of an electric car is estimated to be 25-40% less than one using conventional fuel, and electricity is cheaper per mile than conventional fuel).

As such officers will continue to monitor advances in technology and changes in the market, and in line with national objectives, develop a strategy to eventually move to a more environmentally friendly fleet. Should such vehicles become available purchase of them will be considered if they are operationally suitable and available within budget. Furthermore vehicles previously purchased, and purchased during 2019/2021 could be exchanged for electric vehicles in the future.

Overall, replacement vehicles should have improved environmental credentials compared to the current fleet. The vehicles used are diesel vehicles and as such they generally produce less carbon dioxide than petrol vehicles. The main issue with diesel vehicles is nitrogen oxide emissions which have a negative effect on air quality. With the exception of the vehicles replaced last year the other diesel vehicles are Euro 3, 4 or 5. Any new vehicles will be Euro 6 which have a 67% reduction in NOx emissions compared to Euro 5. Furthermore the new vehicles may be smaller than existing ones and as such could have proportionately lower emissions. Therefore replacing the vehicles is likely to have a positive environmental impact.

ALTERNATIVE OPTIONS

A number of alternative options have been considered:

Alternative option 1: To withdraw the commissioned transport fleet, disposing of assets and redeploying or making team members redundant. This course of action is not recommended since an appraisal of fleet operations has indicated that relying wholly on external contracts is likely to increase service delivery costs and reduce client satisfaction. The cost of providing the same service using external providers is estimated to be a minimum of £90,000 greater per annum. In some cases the market may not be able to provide the required transport which would place us in breach of our statutory obligations. Furthermore the provision of services using a stable, in house resource has enabled the team to better understand the changing needs of service users, reacting proactively when concerns are raised and providing

additional support to families. Not retaining the commissioned transport fleet could impact on the wellbeing of the most vulnerable in Rutland.

Nevertheless, should members favour this course of actions a cabinet report could be submitted setting out the implications of exclusive use of external contracts to deliver the service.

Alternative option 2: To retain existing vehicles, however these are reaching the end of their useful life. Reliability is becoming a concern and maintenance costs are increasing. Overall therefore this option is likely to increase the cost of fleet operations, and reduce customer satisfaction.

Alternative option 3: To lease vehicles rather than purchasing them, however this is not likely to represent best value for money. Appendix C of the background paper listed below sets out why purchasing represents better value for money than leasing vehicles.

CONCLUSION

Approval of the £190,000 budget set out within the main report, and the delegation of authority to the Strategic Director for Places in consultation with the Portfolio Holder for Culture & Leisure, Highways & Transportation and Road Safety to approve the fleet replacement programme will enable a rolling fleet replacement programme to take place and enable the fleet to continue to operate effectively and efficiently.

It will also allow officers to replace vehicles at the most appropriate point during the next 1.5 years, taking account of the replacement criteria and vehicle availability. Finally it will reduce the burden on members and officers to return to cabinet each year to gain approval for the purchase of specific vehicles.

BACKGROUND PAPERS

Cabinet (Report No: 141/2018) which sought approval for replacement of four vehicles during 2018/19.

Table 1: Current fleet details

	VRM	Make	Model	Seats	Mileage	Year Registered	Maintenance cost 2019/20 (to date)
1	LC57 XHZ	Citroen	C4 VTR 138 Coupe	5	110,130	19/11/2007	£80.00
2	AK59 VAE	Ford	Transit Van	3	112,820	30/09/2009	£681.91
3	SF11 AZP	Peugeot	Expert Tepee Comfort HDI WAV	6	94,405	06/04/2011	£80.00
4	FJ11 FJC	Fiat	Ducato Maxi Minibus WAV	15	117,535	24/04/2011	£2031.71
5	FJ11 FJD	Fiat	Ducato Maxi Minibus WAV	15	104,770	24/04/2011	£721.46
6	FJ11 FJF	Fiat	Ducato Maxi Minibus WAV	15	124,810	15/08/2011	£1151.40
7	FJ61 FTX	Fiat	Ducato Maxi Minibus WAV	15	113,330	17/09/2011	£1422.34
8	EU54 LZB	Iris Bus	Daily 50 S13 Minibus WAV	17	93,791	16/09/2004	£1382.62
9	GN55 HJD	Iris Bus	Daily 50 C14 Minibus WAV	17	89,123	04/10/2005	£667.63
10	GX06 EVU	Ford	Transit Minibus WAV	17	50,127	23/03/2006	£237.00
11	WV68 AAJ	Nissan	NV4000 9 Seater WAV	9	10,081	29/10/2018	£160.00
12	WV68 AAK	Nissan	NV4000 9 Seater WAV	9	11,084	29/10/2018	£160.00
13	FD67 RRZ	Fiat	Ducato WAV	5	8,127	27/12/2017	£405.00
14	KU68 AEC	Mercedes	314 CDI 9 seater WAV	9	7,423	20/11/2018	£1012.00

- Vehicle 1 (a car) is currently being sold and the pool car fleet will be utilised.
- Vehicles 11-14 were purchased new using funding approved in report 141/2018
- Higher maintenance cost for vehicle 14 was due to repairs after damage to bodywork.