

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 17 AUGUST 2021

EXTENSION TO FLEET PARTNERSHIP AGREEMENT WITH TAYSIDE CONTRACTS

INFORMATION REPORT

1. INTRODUCTION

This report provides an update on the progress of the Fleet Partnership agreement with Tayside Contracts and advises on the extension of the agreement until 14 August 2023.

2. BACKGROUND

- 2.1 The Angus Council and Tayside Contracts Fleet Partnership formally commenced on 14 April 2015 following a review process and feasibility study that was led in large part by the need to provide much improved vehicle maintenance facilities in the Angus area for both parties.

The agreement established a Partnership Board consisting of senior officers from Angus Council and Tayside Contracts that meet quarterly and are responsible for reviewing the performance of the Partnership.

Through the Partnership, Tayside Contracts provides various fleet related services for Angus Council including vehicle repair & maintenance, fuel provision, vehicle & plant hire, vehicle disposal, and professional advice and guidance.

Angus Council are still responsible for operations and insurance of their vehicle fleet and for maintaining their own Operator's Licence, which is needed to provide the legal authority from the Traffic Commissioner to operate larger goods vehicles.

Tayside Contracts also carry out procurement of new vehicles on behalf of Angus Council however the council retain ownership of vehicles and have responsibility for the procurement and replacement strategy.

3. PROGRESS AND PERFORMANCE OF THE PARTNERSHIP

Fleet Maintenance

An essential element of the Partnership is the proper maintenance of the Angus Council vehicle fleet, and during the lifetime of the Partnership the council fleet has been maintained to the required standards, in a compliant manner that has protected the council's Operator's Licence.

A key performance measure is the DVSA Operator Compliance Risk Score (OCRS). This is a 'traffic lights' targeting mechanism used by DVSA, based on MoT and roadside check performance. The Angus Council OCRS Roadworthiness and Traffic scores have remained Green/Green and therefore in the top quartile of performance nationally since the commencement of the Partnership.

Vehicle Workshop

The establishment of the Partnership led to the closure of three vehicle workshops (two Tayside Contracts and one Angus Council facility) when the new workshop facility at Peasihill Road, Arbroath was opened in January 2017.

The new workshop offered a substantial improvement against what had existed historically in the three workshops which closed. The new workshop provided the opportunity to improve efficiency and safety and cater fully for the maintained fleet of Angus Council and Tayside Contracts vehicles. It is now fully established as the largest workshop within Tayside Contracts, operating an early and late shift operation, reflecting the needs of both parties.

Staffing

The staff transfer in April 2015 brought opportunities for economies of scale at a time when demand for qualified mechanics was high and posts were increasingly difficult to fill. The recruitment of qualified mechanics, with the range of skills required to maintain such a diverse fleet, remains an issue primarily due to a skill shortage within the industry. Tayside Contracts approach has been to train and develop their mechanics to the standards required and to continue with an apprentice training programme (there are currently three apprentices based at Peasiehill workshop).

Key Performance Indicators (KPIs)

During the lifetime of the agreement KPIs have been developed, which are reviewed by the Partnership Board and cover areas such as maintenance costs, labour hours, tyre costs and MoT pass rates

The aim is to develop further KPIs so that performance can be more accurately measured and improvement actions identified. A significant focus will be on fleet utilisation and downtime and this will be aided by the recent installation of telematic/tracking devices on waste and parks services vehicles.

4. EXTENSION TO THE AGREEMENT

The Fleet Partnership Agreement was renewed in August 2018 for a further 3 years with the option to extend by a further two years. On the basis that the Partnership has been operating successfully, as outlined in section 4, it was agreed to extend by a further two years until 14 August 2023.

It has been agreed that during this extension period a benchmarking exercise will be undertaken, the scope of which will be developed jointly between the two partners. This will help to assess the performance of the Partnership and to identify any areas for improvement.

5. FINANCIAL IMPLICATIONS

Table 1 below shows the breakdown of spend to Tayside Contracts relating to the Fleet Partnership agreement since 2016/17. These costs have been fully contained within the revenue budgets of the respective service areas.

It should be noted that changes to the number, type and age of the vehicle fleet varies between years and has a major influence on the total spend on vehicle maintenance. Similarly, changes to the way council services are delivered affects spend on vehicle maintenance.

| Service area | 2016/17 (£,000) | 2017/18 (£,000) | 2018/19 (£,000) | 2019/20 (£,000) | 2020/21 (£,000) |
|---------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Waste | 1,350 | 1,198 | 1,306 | 1,296 | 1,341 |
| Parks | 128 | 147 | 135 | 155 | 185 |
| Other | 249 | 191 | 164 | 143 | 141 |
| Total | 1,727 | 1,537 | 1,605 | 1,593 | 1,666 |

As detailed in section 5, it has been agreed that during this extension period of the agreement a benchmarking exercise will be undertaken that will assist with the review of the Partnership.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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