

Fleet Services

Bristol City Council Strategy for Fleet Vehicle Replacement

Terms of Reference

A Hot House was required to confirm that an in-house fleet model is the strategic option.

Agree that a 25% reduction in new vehicles is aligned to departmental savings proposals.

Seek approval from Cabinet to spend £6.1m capital revenue.

Bristol's Fleet old, inefficient or hired in!



Fleet Need a Capital Budget

- 456 vehicles, of which 236 are used by HRA
- 80% of vehicles are over 5 yrs, 50% over 10 yrs
- Only 3 new vehicles have been bought within the last 18 months
- Old vehicles are high maintenance, break down more, less fuel efficient and emit more emissions
- Within the Fleet revenue budget there is potential to support a capital programme of over £4m in Yr 1
- There is currently no planned capital replacement programme and so this capital spend needs to be authorised
- This can be funded by Fleet's budget plus £0.56m Fleet reserve



Doing nothing is not an option- we will spend more money on repairs and hires in the long term plus run inefficient vehicles that are environmentally poor.



How can we *improve* the fleet while spending **less**?

- 3 day Hot House
- 80% of fleet users directly engaged
- Fleet survey
- Detailed financial modelling and options appraisal
- As a result of hot house we can spend £2m less on capital and return a positive saving to the General Fund



- Rework the fleet profile to improve efficiency - reduce number of new purchases by 25%
- Re-sized vehicles and withdraw duplicate pool cars
- Maintain our fleet ourselves to maximise flexibility to changing service demands
- Move to electric vehicles as soon as infrastructure allows which supports mayoral priorities
- Funded from within the current Fleet Revenue budget- pending authorisation of associated capital spend

How this will be delivered

- All pool cars will be withdrawn as currently covered by Enterprise pool cars
- 75% of vehicles will be replaced in Yr 1 and 2
- 25 Electric Vehicles are shown in the business case (will be 50+ subject to infrastructure)
- Corporate colour moves to white as this saves potentially £171k
- Remaining vehicles kept but will be withdrawn when uneconomic or no longer required

Fleet Sourcing Financing Options

	1. Buy & Maintain over 8 Years	2. Lease in & BCC repair	3. Lease in & Lease co. repair	4. No purchases, ad-hoc hire	5. Move to all ad- hoc hire
Vehicle numbers flexible	✓			✓	✓
Corporate Livery/ Health and Safety	✓	✓	✓		
Improved fuel economy	✓	✓	✓		✓
Reduced env. impact	✓	✓	✓		
Additional Income (e.g. MoTs)	✓	✓		✓	
Sale of ? Sandy Park (cap receipt not included)			✓	✓	✓
Cost over 8 years capital	£6million	None	None	None	None
Cost to Gen Fund over 8 yr cycle	£11.4m	£12.4m	£12.8m	£14m	£13.5m

Summary of Business Case

- 75% of Fleet is replaced and maintenance is done in house
- This requires a capital budget of £3.6m in Yr1 and £2.4 in Yr2
- Fleet Manager given a capital budget but each year is accountable to Capital Programme Board explaining how spent, savings made etc
- This allows a flexible approach which will result in modern, efficient assets that can either be recycled within the Council or TUPE'd across if we commission out areas of work that currently use the fleet.
- Engaged with all key fleet users
- This option represents capital cost avoidance of £2.4m over 8 years
- This returns a saving to the GF over current budget of £3.6m over 8 yrs starting from financial 2018/19 and £1m to the HRA

Next Steps

- Confirmation that in-house fleet is the strategic option
- Acceptance that 25% reduction of new fleet is aligned to BCC reduction in size of operations over 5 years
- Permission to take recommendation and spend to Cabinet for approval

Appendix