

# Efficient Public Sector Fleet Operations

Guide



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National Blood Service

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# Foreword

Freight Best Practice is funded by the Department for Transport and managed by Faber Maunsell Ltd to promote operational efficiency within freight operations in England.

Freight Best Practice offers FREE essential information for the freight industry, covering topics such as saving fuel, developing skills, equipment and systems, operational efficiency and performance management.

All FREE materials are available to download from **[www.freightbestpractice.org.uk](http://www.freightbestpractice.org.uk)** or can be ordered through the Hotline on **0845 877 0 877**.

The aim of this guide is to:

- ➔ Summarise the main areas and issues relevant to public sector goods vehicle operations
- ➔ Outline a structured approach to review your operations and implement changes
- ➔ Signpost a range of sources for further information

Using case study examples, the guide also highlights improvements already made by public sector organisations and the benefits they have achieved.

# Contents

<b>About this Guide</b>	<b>8</b>
What Is the Purpose of this Guide?	8
Who Should Read it?	8
How Can I Use this Guide?	9
What Do I Stand to Gain?	9
The Structure of the Guide	9
<b>The Role of the Public Sector Fleet: A Note for Strategic Managers</b>	<b>11</b>
The Importance of Accountability	11
<b>Understanding Public Sector Fleet Operations</b>	<b>13</b>
What are the Main Characteristics of Public Sector Vehicle Operations?	13
Essential Operational Stages	13
What are the Key Drivers for Operational Efficiency in the Public Sector?	14
The Operational Aims and Tools	14
A Checklist for Good Practice	16
<b>Designing and Reviewing the Operation</b>	<b>17</b>
Risk Management	17
Insurance	20
Managing Operations In-house or Outsourcing	20
Managing Outsourced Operations	21
Legal Considerations	21
Vehicle Financing	22
Vehicle Specification	23
Vehicle Procurement and Choice of Suppliers	27

Vehicle Disposal	27
<b>Running the Operation</b>	<b>29</b>
<b>Operational Tool 1: Reducing Fuel Consumption</b>	<b>29</b>
Developing a Fuel Management Programme	29
Assigning a Fuel Champion	30
Fuel Selection	31
Fuel Purchase and Storage	33
Stock Control and Issue	33
Driver Training	34
Vehicle Maintenance	37
Aerodynamics	37
Fuel Use - Monitoring, Targeting and Review	38
<b>Operational Tool 2: Maximising Vehicle Use</b>	<b>39</b>
Use of Information	39
Communications	39
Telematics	39
Computerised Vehicle Routing and Scheduling	41
<b>Improving the Operation</b>	<b>43</b>
Keeping Your Operation Fit and Healthy	43
Measuring Performance	43
Networking and Signposting	47
<b>Summary</b>	<b>48</b>
How Can this Guide Help to Improve Operational Efficiency?	48
<b>Appendix</b>	<b>50</b>

# Contents

Case Study 1:  
Leading the way in the Public Sector: Increasing Productivity at Forestry Commission Wales 15

Case Study 2:  
HM Customs and Excise: Reducing Risks and Lowering Costs 19

Case Study 3:  
How Risk Assessment Strategies Can Influence Fleet Premiums at Flintshire County Council 20

Case Study 4:  
Compliance at Leeds City Council 22

Case Study 5:  
Health and Safety Starts with Vehicle Specification 23

Case Study 6:  
Freight Transport Association Public Authority Transport Network - Technical Officer Group 24

Case Study 7:  
Involving Staff in Vehicle Specification: the National Blood Service 26

Case Study 8:  
Streamlining Administration through Framework Agreements 26

Case Study 9:  
Using European Procurement to Your Advantage 28

Case Study 10:  
Exploring Alternatives at Hull and East Yorkshire Hospitals NHS Trust 32

Case Study 11:  
Diesel Refuse Vehicles at East Riding of Yorkshire Council 34

Case Study 12:  
Monitoring Fuel Use at the National Blood Service 35

Case Study 13:  
Driver Training at Sheffield City Council 36

Case Study 14:  
Increasing Vehicle Utilisation through Night Maintenance 37

Case Study 15:  
A Commercial Approach to Resource Management: the West Midlands Ambulance Service 40

Case Study 16: Telematics at Barnsley Metropolitan Council 41

Case Study 17:  
Use of Personal Data Assistants in the London Borough of Lewisham 42

Case Study 18:  
Benchmarking at the North East England Police Fleet Managers' Group 45

Case Study 19:  
Maintenance KPIs at the National Blood Service 46



# About this Guide

## What Is the Purpose of this Guide?

This guide is to help you to better understand and implement good practice in public sector fleet operations. It can help fleet, operations and strategic managers in the public sector to improve the efficiency and reduce the environmental impact of their goods vehicle operations, while still meeting the service, social and policy obligations applicable to all public sector organisations.

With over 80% of UK carbon dioxide (CO<sub>2</sub>) emissions in the transport sector arising from road use, the Government has signalled its intention that 10% of all its fleet vehicles - i.e. public sector vehicles - should be low carbon (under 100 grammes CO<sub>2</sub> emissions per vehicle kilometre) by 2012 ([www.sustainable-development.gov.uk](http://www.sustainable-development.gov.uk))

The guide describes the key areas and issues of relevance to public sector goods vehicle operations. It outlines a structured approach and provides case study examples to enable you to review your operations effectively and to implement changes. This guide also signposts sources of further information.

It is important to note that, although the guide focuses primarily on public sector fleet operations, many of the areas and ideas covered may also be applicable to other public sector services. The term 'goods vehicle' is used here in its widest sense and in line with the regulations for use to include vehicles and trailers for carrying goods and burden of any description, as well as other public sector vehicles and equipment e.g. a fire engine or a council repairs lorry. This definition is not affected by gross weights (i.e. 3.5 tonne threshold) or whether the vehicle is on Crown work (i.e. working solely for central Government business) and not subject to taxation. Certain aspects within the guide, such as monitoring and targeting improvements, could be used for other public sector equipment such as cranes, forklift trucks, excavators, etc.

## Who Should Read it?

This guide is for anyone who is directly responsible for operating goods vehicle fleets within the public sector (normally fleet managers or fleet engineers). Other public sector managers may also find it useful, including strategic and operations managers. This approach is to accommodate the way the public sector is organised and to acknowledge that fleet management responsibilities may be spread across a number of people within different departments. For example, the fleet manager may have responsibility for the



decisions concerning the structure of the fleet, vehicle specifications and procurement but other department managers may have responsibility for the welfare and training of the drivers.

This guide refers to a 'public sector manager' as a broad term to cover all those involved with fleet operations including the strategic and operations managers, fleet managers, fleet engineers and driver training. However, section 2 of this guide has been developed specifically for public sector strategic managers to explicitly outline the role and importance of fleet operations in achieving successful service delivery.

To help you to see whether this guide may be of benefit to you, there is a list provided in the Appendix that shows some examples from the wide range of public sector organisations identified during the preparation of this guide but it is not an exhaustive list.

## How Can I Use this Guide?

Some organisations may use this guide as a review and checklist to help ensure that all the opportunities for efficiency and sustainability within their operations have been identified and acted upon.

For other organisations, particularly those for whom vehicle operations have not previously been a primary focus, the guide may be an essential reference document, outlining the various steps towards operational efficiency and sustainability. It should also offer these organisations guidance on how they can develop their vehicle operations.

Signposts have been included at the beginning of each section to highlight who will find it useful and why. Section 3.5 also has a checklist of questions to help you determine which sections may be of particular relevance to you.

## What Do I Stand to Gain?

If you are a public sector manager and have any responsibilities that concern fleet operations (see Section 1.2 on page 1), your organisation can benefit. By implementing best practice in fleet operations, you can reduce both operating costs and the environmental impact of your fleet.

This, in turn, will help you to achieve the dual aims of ensuring best value for public money and promoting an environmentally sensitive transport policy.

The guide will also act as an effective signpost to further points of reference and additional opportunities to share information and good practice with comparable organisations in the public sector.

## The Structure of the Guide

The guide is split into five main sections:

- ➔ Section 2 - The Role of the Public Sector Fleet: a Note for Strategic Managers - this section outlines important issues that need to be considered by strategic managers to understand the role played by fleet operations in delivering quality public sector services
- ➔ Section 3 - Understanding Public Sector Fleet Operations - this section defines the characteristics of public sector fleet operations, outlining an operational checklist and introducing the 'tools' for best practice
- ➔ Section 4 - Designing and Reviewing the Operation - this section covers the planning that needs to be done by strategic and fleet managers, such as reviewing operations, operational risk, financing, vehicle specification and more strategic considerations, such as outsourcing
- ➔ Section 5 - Running the Operation - this section describes the actual management of the fleet itself, including ways of improving efficiency through reducing fuel consumption and optimising vehicle utilisation
- ➔ Section 6 - Improving the Operation - this section suggests ways of keeping your operation 'fit and healthy' through the use of the management tools of benchmarking and key performance indicators (KPIs)

As responsibility for fleet-related matters can be shared by a number of people within public sector organisations, only parts of the guide may

be relevant to you. Signposts have been included at the beginning of each section to help guide you to the most relevant parts. Table 1 outlines the range of roles and responsibilities that have been signposted within the guide and may help you to pick which apply to you.

Table 1 The Range of Roles and Responsibilities of Public Sector Managers Identified within the Guide

Strategic Manager	A senior manager who is not directly involved in vehicle procurement or day-to-day fleet operations, but is ultimately responsible for budgets, fleet expenditure and service delivery at a strategic level
Fleet Manager	The person who takes responsibility for decisions that directly affect the structure of the fleet, such as vehicle specification and procurement, but may not be involved in the day-to-day on-road management of vehicles and drivers
Operations Manager/ User Department Manager	The person who is responsible for the day-to-day on-road management of vehicles and the staff driving them. The primary responsibility of the operations manager or head of a user department may be to ensure delivery of a service. However, in this role, they are also likely to have considerable control over where vehicles go and who drives them



# The Role of the Public Sector Fleet: A Note for Strategic Managers

Who should read this section?	Which parts and why?
Strategic Manager	To make lasting improvements to fleet operations, support is needed from senior management. It is important that you, as a strategic manager, understand the vitally important role that fleet operations play in public sector service delivery, who is responsible for the different parts of your operations, and the type of operational efficiency changes that can be made

## The Importance of Accountability

Public sector vehicle fleets are required to deliver essential services, for example, refuse collection vehicles for cleansing services or ambulances for emergency services. These vehicles underpin the provision of public services, and more efficient operations mean the delivery of better services at a reduced cost.

Different public sector organisations have different management structures, so it is important that as a strategic manager (for example, the head of a department or service), you understand the vital supporting role that your fleet plays and who is accountable for different parts of your fleet operations. For instance, do you know:

- ➔ Who is in charge of your vehicles?
- ➔ Who supervises the drivers of those vehicles?
- ➔ Who manages the fuel issued for use in the vehicles?
- ➔ Who monitors actual fuel consumption?
- ➔ Whether the same person manages all of this, or there is a different person in charge of each area?

It is important for you to know this information, because the person within your organisation who manages drivers on a day-to-day basis may be focusing on delivering the service and not be fully aware of the potential benefits of reducing operating costs.

To make sustained improvements to your fleet operations (and therefore continually provide better value for public money), you need to have an understanding of exactly who is accountable for what within your fleet operations. Ultimately, it is up to the strategic manager to ask both the fleet and operations managers the right questions. For example, are your fleet managers providing vehicles fit for their intended use or purpose? Do your operations or user department managers really understand the financial and environmental benefits of initiatives, such as driver training, and what exactly are they doing about it?

Initiatives intended to improve operational efficiency are more successful when they have support from all levels within an organisation. Ultimately though, it is up to you, as a senior manager within the public sector, to provide the support and guidance from the top and lead the way forward for others in your organisation.

# Understanding Public Sector Fleet Operations

Who should read this section?	Which parts and why?
Fleet Manager/ Fleet Engineer	It is important to understand strategic issues before you review your fleet operations and decide whether or not improvements are desirable and possible. The checklist in this section can give you ideas for areas that you can focus on

## What are the Main Characteristics of Public Sector Vehicle Operations?

The range of goods vehicles operated by the public sector is extremely broad and includes activities as diverse as local authority housing services, HM Customs and Excise (now known as HM Revenue and Customs) road fuel testing, and the delivery of medical supplies to NHS hospitals, to name but a few.

While they may not apply to all organisations, some of the key characteristics of many public sector fleets are that:

- Vehicles are often driven by staff not specifically employed as drivers
- Vehicles are often employed on specialised operations with limited opportunities for use on other activities
- Vehicles tend to have relatively low average annual mileages and are frequently confined to specific geographical areas
- Due to the specialised nature of equipment, vehicles tend to be kept in service for a long time

Additionally, public sector fleets are often operated under a broad range of internal and external constraints, including financial, environmental and social policies.

## Essential Operational Stages

It is important to remember that the approach to operating fleets in the public sector has many similarities with the management process of any operation that is in place to meet a specific service need.

The essential operational stages are:

- Understanding the service level requirement
- Developing a strategic plan to meet that requirement
- Understanding the external pressures that may affect the ability to deliver the service
- Selecting, or reviewing, the assets, equipment, buildings and systems used to deliver the service, as well as the staff required to make the operation work

- ➔ Actively managing the operation to ensure maximum day-to-day efficiency
- ➔ Monitoring performance
- ➔ Learning from other similar operations
- ➔ Reviewing and amending the strategic plan in the light of measured performance, changes in service need, available resources and other factors
- ➔ Instigating a process of continuous improvement

A series of high-level strategic decisions needs to be taken at the outset, to set the overall framework for fleet efficiency improvements. These decisions include:

- ➔ Firstly, does the organisation really need to run a fleet at all? If so, should the fleet be owned and managed within the public sector or should parts of the service provision be outsourced to a private sector company?
- ➔ Is it possible that operational collaboration with other public sector organisations and joint use of resources could reduce the overall resources required?

## What are the Key Drivers for Operational Efficiency in the Public Sector?

As previously stated, public sector fleets underpin the provision of numerous essential public services, from refuse collection and grounds maintenance to local policing and flood protection. As such, the key drivers can be considered to be somewhat different to those of many other sectors.

The fleet may play a supporting, rather than a leading role and great scope exists to optimise service delivery and minimise costs. By doing this, you can also minimise the environmental impact of your fleet operations and so help to meet the wider social obligations and policy objectives that are among the key drivers for the public sector.

At a practical level, a fleet operation in the public sector, however owned and managed, should be based on the operational 'aims and tools' of fleet efficiency outlined opposite in section 3.4. These are the areas where public sector managers (fleet managers, fleet engineers, strategic managers, operational managers, etc) can have the greatest day-to-day impact on fleet efficiency.

## The Operational Aims and Tools

The key to delivering service in a way that provides maximum value for money is to minimise resources and maximise productivity.

This underlying principle is put into practice using the following:

- ➔ Aims - to develop an integrated system of management to optimise service delivery and minimise costs
- ➔ Tools - to reduce fuel consumption and maximise vehicle and staff productivity

These operational aims and tools are integral to the information in the remainder of the guide.

One of the purposes of this guide is to highlight case studies and give strategic, fleet and operations managers ideas on how fleet operations can be improved.

Case study 1 at the Forestry Commission (FC) Wales, outlined on page 15, illustrates an innovative approach to increasing staff utilisation and reducing vehicle downtime.

# Case Study 1: Leading the way in the Public Sector: Increasing Productivity at Forestry Commission Wales

Neil Stoddart is the Manager of Fleet Harvesting at Forestry Commission (FC) Wales. FC Wales harvests almost one million tonnes of timber each year and supports hundreds of jobs in rural communities throughout Wales. This harvesting activity is dependent on a diverse fleet of goods vehicles, plant and machinery.

“A fall in timber prices on the world market a few years ago created a lot of pressure on the Commission to find ways of becoming more productive,” said Neil. “We’ve always used our own fleet, as well as private contractors. We had thrown down the gauntlet to the private operators to lower their costs, and it would have sent a bad message if we didn’t try to improve our own operations at the same time.”



## Recruitment

In 2000, Neil set about making some major changes to FC Wales’s fleet operations. Recruitment was one area which had always been difficult and where a number of significant changes were made. A new apprentice scheme was developed to try to address the situation. From the beginning, it was decided that the scheme should do more than just teach people how to cut down trees. Now, trainees are taken out to sawmills to give them a better understanding of customers’ real needs.

## Productivity

The training also allowed FC Wales to address problems associated with breakdowns.

“It’s very difficult to get vehicles into forests to make repairs when harvesting equipment breaks down. Harvesters cost £1,000 a day to operate. When a harvester goes down, it literally costs us £1,000 in unproductive costs,” Neil said. As a result, all harvesting staff now receive engineering tuition on hydraulics and electrical systems, meaning they can make minor repairs themselves when problems occur.

“Vehicle use was also identified as an area where improvements could be made,” said Neil. “A new harvester costs us £225,000, which means we need to make the maximum use of the assets to justify the large capital costs.” As a result, a new system of double shifting was introduced so that harvesting machines can operate for 12 hours a day.

## Benefits

Employees’ views on changes were considered from the outset. “After speaking to our staff, we decided to use a system of three hours on, three off and then three on. So, two shifts work a total of six hours each over a 12-hour vehicle day. Staff were quite happy with this because it gives them more flexibility and they get a better balance between home and work commitments. By starting work earlier, several of our guys can now finish in time to collect their kids from school, so it works very well.”

As a result of these changes, the FC Wales harvesting team is now 40% more productive than it was five years ago. Neil concluded, “Because of the changes we’ve made, we are now actually more productive than many of our contractors. We’re leading the way.”

## A Checklist for Good Practice

This guide aims to give not only practical information and tips, but also ideas about where to get more information. To determine its relevance, answer the questions in the checklist below.

If there are boxes within the checklist that you have not ticked, you can find useful information within the guide on the areas covered by those questions, along with signposts to further, more detailed information on specific topics.

Operational Checklist	Operational Checklist	Tickbox (✓)
Have you ever undertaken a review of your fleet operations or a risk assessment to identify areas for potential improvement?	4	
Do you have a fuel management programme in place? → Does your organisation have a Fuel Champion? → Do you know the average MPG for vehicles in your fleet? → Could you find out who your most fuel efficient drivers are?	5	
Do you know if outsourcing some of your operations would save you money?	4.4	
Do you purchase vehicles based on life-cycle running costs (also known as whole life costing)?	4.8	
Have you looked recently at whether new technology and telematics systems could help to improve your operations?	5.10, 5.13	
Do you use KPIs to measure vehicle operations or maintenance costs (e.g. pence per mile, direct maintenance cost per vehicle) to assess the effectiveness of your operations?	6.2	
Do you know how your costs compare with those of other organisations that have similar operations?	6.2	
Do you provide your drivers with training in safe and fuel efficient driving techniques?	5.6	



# Designing and Reviewing the Operation

Who should read this section?	Which parts and why?
Strategic Manager	All parts: Reviewing your fleet operations will lead to better operational design, improved compliance and safety, and more cost-effective management of your organisation's fleet
Fleet Manager	All parts: Better vehicle specification leads to improved service provision and lower operating costs. Improved compliance increases driver and vehicle safety and can help to reduce accident rates. It is your responsibility to ensure Operator Licensing requirements are met and that the fleet is run legal
Operations Manager/ User Department Manager	Risk assessment and legal compliance: Your personnel are the ultimate drivers and therefore the real 'users' of the vehicles and it is your responsibility to ensure they are aware of their obligations under road transport and health and safety legislation

As mentioned earlier in this guide, some of the defining characteristics of fleets in the public sector are that they are often complex, support the provision of a variety of different essential services and involve many different types of specialised vehicle. The drivers of the vehicles are often not employed specifically as drivers (and therefore do not see themselves as such) and management responsibilities are sometimes fragmented. It is therefore essential to:

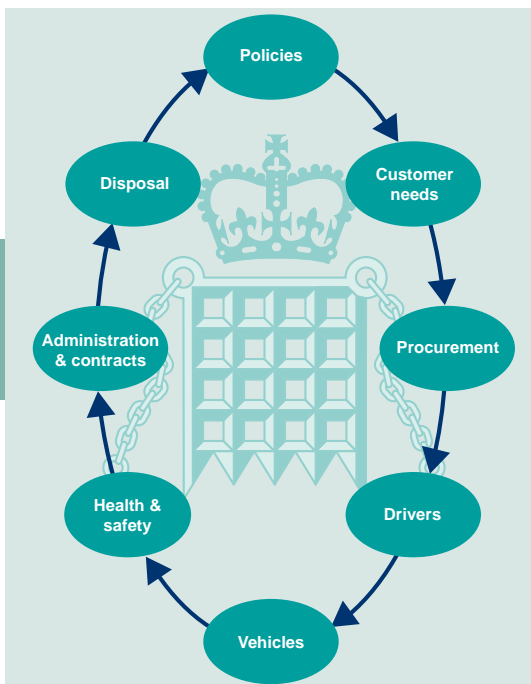
- ➔ Break down your operations to their basic components
- ➔ Understand the features that make your fleet different to others
- ➔ Identify and understand your own specific fleet efficiency issues
- ➔ Develop actions to support and improve the efficiency of your operations

How do you go about identifying efficiency issues in your operations and starting to make improvements? Often the best approach is the simplest one. Case study 2 (overleaf) featuring HM Customs and Excise (now known as HM Revenue and Customs) provides an example of a clear and systematic way to approach a fleet review.

## Risk Management

There are risks involved in all aspects of your fleet operations - everything from vehicle procurement to disposal. It is important that these risks are managed properly, not only because your employees have the right to work in the safest possible environment but also because minimising risk (including accidents and damage to vehicles) can reduce your costs considerably. Figure 1 illustrates the areas of risk considered by HM Customs and Excise as part of their fleet review, as discussed in case study 2.

Figure 1 HM Customs and Excise Areas of Risk Covered in the Fleet Review



Make risk management an integral part of your fleet review, as HM Customs and Excise did. Start off by breaking down your operations into their key components and identifying all the potential risks in your operations and how they could be managed. This includes the adoption of safe working practices and programmes of training for all staff covering both general health and safety and specific activities.

# Case Study 2: HM Customs and Excise: Reducing Risks and Lowering Costs

John Webb was appointed National Fleet Manager of HM Customs and Excise (HMCE) in 2002. He had previously worked elsewhere within the HMCE organisation and used his experience in project management to take a structured approach to undertaking a fleet review and implementing a challenging change programme. NB: HM Customs and Excise merged with the Inland Revenue in April 2005.

## The Process

At the outset, John took an overview of HMCE's key fleet operations. Several aspects stood out:

- ➡ The HMCE fleet was large and made up of a diverse range of vehicles. Operations involved a combination of those vehicles owned entirely by HMCE, hire cars and staff members' own vehicles
- ➡ Many HMCE vehicles were equipped with expensive, specialised ancillary equipment, such as surveillance devices and oils and drug testing equipment
- ➡ The nature of HMCE activities meant that drivers were often subjected to high levels of risk in day-to-day operations

## The Issues

By looking at HMCE fleet operations as a whole, the issues became very clear. Costs were escalating and a lack of central control in fleet operations meant that risks needed to be managed more effectively.

## The Measures

Having established these issues, the next step was to break down the fleet operations into their key components and identify areas where policies could be developed.

With further consideration, John Webb realised that risk was a common issue throughout the entire fleet management process. A number of policies were therefore developed to address the key areas of concern, for example, in the areas of:

- ➡ Procurement - Initially 42 different vehicle types were involved in operations, which was many more than necessary. 'Up front discounts' were dominating procurement decisions. Procedures were changed, so that procurement decisions were based on whole-life costing. Close consultation was undertaken with staff to ensure that the users of the vehicles were satisfied with the vehicle selection and aware of the reasoning behind it
- ➡ Contracts - On close inspection of the car hire, fleet and accident management contracts, it was clear that changes to each of them would result in better value for money. Staff involved in fleet management received training from external organisations including the Institute of Car Fleet Management, and specific best value measures were introduced into contracts. John consulted with fleet managers elsewhere within central Government operations and looked for opportunities to 'piggy back' on other Government contracts to drive down his own costs further. For example, HMCE successfully joined the Inland Revenue's vehicle disposal contract

## The Outcomes

- ➡ Operating costs have been reduced by £300,000 per year, with potential for further improvement
- ➡ Car hire costs were reduced by 30% in a year, solely through improved contract negotiation
- ➡ Fleet management personnel now have a much closer working relationship with the vehicles'
- ➡ end-users, incorporating their views into the decision-making processes

It is important to monitor the effectiveness of risk management policies through KPIs. For example, monitoring the number of accidents, the cost of repairs and the number of days of lost service due to repairs. It is essential to act on current KPI performance levels, monitor progress towards targets and set new ones where necessary. KPIs for fuel management can be found in Section 5.9 and general KPIs and performance monitoring are outlined in Section 6.

## Insurance

Although many larger public sector bodies may

self-insure, smaller operations are likely to pay annual fleet insurance premiums, which can be a significant cost.

Applying risk assessment strategies in this area can help to offer significant savings. For example, training and activity-specific safety awareness campaigns can help to reduce accidents, which in turn can lower insurance premiums. When examining risk and insurance, it is worth asking the following questions:

- ➔ Have you undertaken a risk assessment of your operations?
- ➔ Which activities place employees at risk?
- ➔ Can you stop these activities (i.e. eliminate risk altogether)?
- ➔ If not, can you reduce risk by implementing measures such as safe working practices and job-specific training?

This approach has helped Flintshire County Council to reduce its insurance costs, as shown in case study 3.

## Case Study 3: How Risk Assessment Strategies Can Influence Fleet Premiums at Flintshire County Council

In 2001, having identified rising insurance premiums through a risk assessment of Flintshire County Council's fleet operations, Fleet and Communications Manager, Ian Jutson, designed a driver training course aimed at improving staff skills. He worked with the council's own road safety unit to deliver the training course to his fleet drivers.

The course was successful and, through improved driver performance, led to a reduction in the number of claims made to the council's fleet insurers.

This reduced claim activity was a major contributory factor in halting the rise in fleet insurance premiums, to the point where these had not increased between May 2002 and November 2004.

"In a market sector producing increasing premiums, we've experienced a significant saving in real terms over what we would have paid had we not assessed the situation, identified a problem and implemented an appropriate solution," said Ian

## Managing Operations In-house or Outsourcing

It is worth asking a very simple question before you start thinking about whether you should manage operations

in-house or through a third party. That is:

- ➔ Do we actually need to run a fleet at all?

A number of public sector organisations have recently developed 'demand reduction strategies', to reduce the need for travel through measures such as teleconferencing. Of course, this is

suitable as a method of reducing inter-office meetings rather than a method of reducing fleet miles.

In many public sector organisations, the decision to operate a fleet in-house or to outsource to a third party may be influenced by external factors, such as compulsory competitive tendering (CCT) or best value measures. Decisions about how services are delivered may therefore be beyond the control of fleet managers. Alternatively, decisions might have been made a long time ago and not been reviewed recently.

It is worth revisiting your policies and asking some questions that can dictate the structure of your operation:

- ➔ Should we manage vehicles ourselves?
- ➔ Should we manage vehicle maintenance ourselves?
- ➔ Are there individual parts of our operations that might be better managed by others?

As part of your fleet review, look at the pros and cons of outsourcing operations to a third party and keeping them

in-house. There are a number of issues that need to be considered, including:

- ➔ **Service quality** - How are service levels likely to be affected by outsourcing? Given the primary importance of service quality in the public sector, it is vital to consider the ultimate impact of any decision to change your operational structure
- ➔ **Competencies** - Are there 'non-core' activities that could be outsourced to allow you to concentrate on your 'key competencies'? For example, would contracting out tyre services to a tyre management company make your job easier?
- ➔ **Cost** - In most operations, cost is likely to be a significant issue, second only to service level provision. Conduct a fleet review to assess the costs of your own operations and compare them to those offered by third parties

There are many different options for outsourcing. You can contract out whole operations or services to a range of private sector companies (e.g. waste management services) or just a single element relating to vehicle maintenance (e.g. tyre management or repair and maintenance).

## Managing Outsourced Operations

This guide is primarily intended to offer operational efficiency guidance to public sector managers running or using their own in-house fleets in support of in-house services, but the issues and concepts are just as relevant to managers who are responsible for outsourced services. For example, the cleansing services contract manager (who might manage a third-party service provider) should be aware of fleet-related efficiency measures to ensure that the contractor is providing real value for money. Is it using appropriate vehicles? Are its drivers and operators properly trained? Does it operate on the most appropriate routes?

It is important that the performance of contractors is monitored and reviewed in the same way as in-house activities. Contractors can become complacent if they think their performance is not under scrutiny. Benchmark contract costs and, as part of the review process, compare them to the cost of undertaking activities

in-house to ensure that you are getting the best value. When it is time for renewing a contract, review alternative options and see what others have to offer. Communicate with other managers who might also oversee contractors, so they can better understand fleet costs and deal with them on a 'level playing field.'

## Legal Considerations

Normally, if operating vehicles over 3.5 tonnes gross vehicle weight (GVW), the fleet operator will be subject to the Operator Licensing (O Licence) system, which sets minimum standards and obligations in a range of areas, such as vehicle roadworthiness, avoiding overloading and drivers' hours compliance.

Non-compliance can lead to a whole host of problems, including risks to the health and safety of your employees, increasing the potential for litigation and possible revoking of your (or your contractor's) O Licence itself.

If your organisation employs and manages staff to operate vehicles, then it will be deemed to be the operator of the vehicle and will have to comply with O Licensing regulations. In this instance, this responsibility cannot be outsourced. At a more practical level,

non-compliance with stipulated safety inspections can ultimately result in inferior vehicle condition, costing money to repair and maintain.

Legal and health and safety issues need to be considered from the outset in operational design. For example, why specify a vehicle over 3.5 tonnes GVW, which will be subject to O Licensing and additional driver licensing requirements, if a slightly smaller vehicle could do the job just as well? As shown by the case studies below, education and enforcement are very useful tools for reducing the potential for non-compliance problems, such as overloading

## Case Study 4: Compliance at Leeds City Council

Leeds City Council operates a fleet of more than 300 LGV vehicles, ranging from 7.5 tonne tippers to 44 tonne articulated vehicles and, as such, compliance issues in relation to drivers' hours and vehicle loading have always been a major concern.

### Education

The council decided to take a proactive approach to improving compliance and developed a number of 'user groups' to facilitate communication between different departments and educate drivers about overloading and how it can be avoided.

### Enforcement

A Vehicle Safety Department was established within the council, which set up a mobile vehicle inspection scheme. The council's own inspectors can stop council vehicles at any time to check compliance with drivers' hours regulations

and load legality (in terms of both security and weight). The department then provides overload reports and undertakes reviews of the legality of operations and risk assessments. Issues and problems are discussed at user group meetings and are supported by subsequent training where necessary.



Although the measures have only been introduced relatively recently, the council has already seen some benefits from the programme. Employees now have a high level of awareness of the problems associated with overloading vehicles, and actively help management to identify and modify work practices that can lead to non-compliance.

## Vehicle Financing

If you decide to operate your own in-house fleet or are a local authority, for example, which is successful in tendering to provide a service, the next big decision is how to go about financing it. Although, in practice, many options exist, there are four main methods for vehicle financing:

- ➔ Outright purchase (new, nearly new, used)
- ➔ Contract hire
- ➔ Hire/purchase
- ➔ Operating leases

## Case Study 5: Health and Safety Starts with Vehicle Specification

At Cambridgeshire Fire & Rescue Service, health and safety has always been taken very seriously. In an emergency situation, the top priorities are that vehicles are reliable and employees operate in the safest possible environment.

Diversity and equality legislation has abolished height or weight restrictions for new recruits and so careful consideration needs to be given to vehicle design. This means that hoses and other important equipment must be fitted to the vehicle in a way that makes them easily accessible to all potential users.

Table 2 The Advantages and Disadvantages of the Main Methods of Vehicle Financing

	Advantages	Disadvantages
Outright Purchase (new, nearly new and used)	Ownership and control On-going costs may be lower than hire and leasing options	Higher initial capital investment Residual value risk
Contract Hire	Non-core' activity (e.g. maintenance) managed by third party No capital investment	On-going costs may be higher than equivalent outright purchase Residual value risk
Hire-purchase	Low initial capital investment Eventual ownership	On-going costs may be higher than equivalent outright purchase Residual value risk
Operating Leases	No capital investment No residual value risk	On-going costs may be higher than equivalent outright purchase

Operating leases are a favoured method of financing vehicles for many local authorities, but it is important to use whole-life costing principles when comparing leasing arrangements with outright purchasing options. The worked example outlined below, shows an example of how this concept works.

## Vehicle Specification

Once you have decided that you do need to run a vehicle fleet and how you want to finance it, you then need to set about specifying exactly which types of vehicle you require.

Time spent developing the best specification for a vehicle is time very well spent. The appropriate specification will often mean little or no more cost and will save the operator money throughout the entire life of the vehicle. Whole-life costing decisions, as outlined below, are therefore essential.

In reality, calculations will probably be much more complicated than this simple worked example but there are fleet management software packages available that can help you.

It is also worth noting that if whole-life costs are similar between different vehicle types, you could make decisions based on non-cost related factors, such as features requested by drivers. This is illustrated in Case Study 7 at the National Blood Service opposite.

A cheaper but poorly specified vehicle, unfit for its intended purpose, could end up costing more over its service life than one which is initially more expensive but is more appropriate for its intended use. Vehicle specification is particularly important for public sector fleet operators, such as local authorities, as their vehicles tend to perform highly specialised functions. This means that careful consideration needs to be given to each type of vehicle as 'one size will certainly not fit all'.

Many public sector vehicles often incorporate specialised equipment (e.g. pumps, cranes) driven either by an independent power source or from the vehicle's engine (known as power take-off). When the engine is the power source for additional equipment, this will impact on fuel consumption, which in turn will increase operating costs. To maximise fuel economy, it may be beneficial to specify a more powerful engine that can cope with the additional demands of power take-off equipment.

During specification, it is important to consult with the users that will actually put the vehicle to use. Some of the benefits of incorporating employee views in the vehicle specification process are shown in Case Study 7 at the National Blood Service.

## Case Study 6: Freight Transport Association Public Authority Transport Network - Technical Officer Group

The Public Authority Transport Network (PATN) is an 'e' enabled networking group to which municipal vehicle operators who are in the public sector and members of the Freight Transport Association (FTA) subscribe to discuss and share best practice.

In 2003, this group formed a Refuse Vehicle Overload Technical Officer's Group (TOG) with the declared aim: 'To identify the scale of, and resolve, the overloading issues related to compaction refuse collection vehicles.'

To assist operators in identifying problems and implementing good management procedures to ensure compliance with the relevant legislation, the TOG produced a Best Practice Guide in November 2004, entitled 'Refuse Collection Vehicle (RCV) Procurement and Operation Procedures'.

Included in the guide is advice aimed at procurement and covering all aspects of design and build of trucks to ensure that the vehicle is tailored to the needs of the operation.

To find out more, please see 'Public Authority Transport Network Refuse Collection Vehicle (RCV) Procurement and Operation Procedures' - a best practice guide covering vehicle selection, load measuring and safe loading practices for refuse collection vehicles. Contact the FTA on 01892 526171 or visit its website [www.fta.co.uk](http://www.fta.co.uk) for more information.



## Worked Example: Whole-life Costing - Cheap Vehicles Can Be Expensive in the Long Run

Whole-life, or life-cycle, costing is used by many different types of organisation to help with complex decisions but the underlying concept is simple and very useful. Whole-life costing involves making purchasing decisions based on all of the costs associated with all stages of purchasing, using and ultimately disposing of an asset, instead of just focusing on the initial purchase price.

There are a great number of direct and indirect costs associated with operating a vehicle - these include insurance, fuel, maintenance, driver training, fitting additional equipment, the environmental cost of the CO<sub>2</sub> produced by the engine and even the cost of disposal of used oil.

You can decide exactly what costs you should incorporate into your decision-making process, but the more comprehensive the cost-model, the more informed the decision-making. The table opposite provides a simple example using four major cost components.

Table 3 Comparison of Major Costs for Two Refuse Collection Vehicles.

	Refuse Collection Vehicle A	Refuse Collection Vehicle B
Purchase Price	£97,000	£109,000
Residual Value	£15,000	£27,000
Annual Maintenance Costs	£5950	£6020
Fuel Consumption	11	12
Total Fuel Costs*	£33,430	£30,645

\*Based on a three-year vehicle life and assuming 36,000 miles per year @ £0.75 per litre

Vehicle B costs more to purchase initially than vehicle A, but both cost £82,000 over the total life of the vehicle, when residual value is taken into account. Maintenance costs are higher for vehicle B, but it has better fuel consumption. Taking these differences into account, vehicle B will be approximately £2,500 cheaper to operate than vehicle A over a three-year life-cycle.

### Sources of Further Information

'Truck Specification for Best Operational Efficiency' - a step-by-step guide to vehicle specification, from chassis, engine and transmission specification through to choice of body aerodynamic features and ancillary equipment.

'Buyers' Guide to Refrigerated Transport Equipment' - highlights the key considerations to take into account when purchasing refrigerated transport equipment.

'Making the Swap to Demountables' - introduces the basic concept of demountables and outlines how they can benefit your freight operation.

To obtain a free copy of these publications, contact the Freight Best Practice hotline on

**0845 877 0 877** or visit the website  
[www.freightbestpractice.org.uk](http://www.freightbestpractice.org.uk)

## Case Study 7: Involving Staff in Vehicle Specification: the National Blood Service

Using somewhat clinical whole-life costing principles in vehicle specification does not mean that you cannot consider the interests and requests of your staff at the same time.

When Larry Bannon was appointed National Fleet Manager to the National Blood Service (NBS) in 2001, he found that 15 different makes of vehicle were being used within the fleet, with many diverse models within each group. "We even had American vehicles from the likes of GMC and Dodge to Bluebird Buses! The diversity of the fleet made it impractical and uneconomical," he said.

One of Larry's first priorities was to rationalise the fleet but he was keen, from the outset, to involve staff as 'partners' in this process. Special vehicle user groups were set up to provide feedback after the fleet management team had developed the initial vehicle specifications.



According to Larry, staff were supportive because of the efforts made to encourage participation and incorporate their views, and their demands were normally pretty modest and quite reasonable. "People really understood what we were trying to do and hardly ever requested anything that wasn't really fit for purpose. On the whole, people just asked for little things to make their driving more comfortable, like air-conditioning, air bags, cup holders, coat hooks and radios. These are really easy things to build into a specification and it keeps everyone happy - especially the people who use the vehicle all day, every day."

## Case Study 8: Streamlining Administration through Framework Agreements



A framework agreement is essentially a general contract that can be used for regular purchasing. Establishing framework agreements with suppliers can help you to avoid the administration involved with drawn-out, ad hoc tendering processes and, at the same time help you to benefit from lower costs.

In 2004, North Lincolnshire Council established a framework agreement for the purchase of light vans. According to Fleet Manager, John Luty, "It took a little bit of time to set up with the supplier initially but, in the longer term, has saved so much time as van replacement makes up such a major part of our fleet activity. At the same time, we are still paying significantly less per vehicle than we could otherwise get at a dealership."

# Vehicle Procurement and Choice of Suppliers

Once specification is complete, it is then time to start fleet procurement. Vehicle procurement can be a complicated and lengthy process, mainly because the public sector is subject to close scrutiny when it comes to large purchases. Nevertheless, effective procurement and tendering processes help to choose fairly between suppliers and ensure the best value for public money.

The procurement process is largely dictated by the value of the purchase you need to make. Low value purchases may only require a few quotes from local suppliers, whereas other higher value contracts need to be advertised through the EU in the Official Journal of the European Communities (OJEC) which is now the Official Journal of the European Union (OJEU). As an alternative to tendering, it is possible to develop a framework agreement. This is simply an arrangement with a supplier that 'locks in' a specific price for purchases made throughout a certain time period. As shown in Case Study 8 from North Lincolnshire Council, framework agreements are particularly useful for vehicles that your organisation buys frequently.

Procurement policy should, of course, be guided by your wider fleet policies. For instance, the tendering process can help to secure the lowest price for a vehicle, but it is important to remember that the lowest priced vehicle may not always be the most appropriate for the required purpose. Multiple random cheaper vehicle purchases could, in fact, lead to a more diverse mixed fleet, ultimately driving up maintenance costs in the longer term.

The public sector, as a whole, uses many thousands of vehicles, from motorbikes and small cars up to the heaviest goods vehicles, to perform its range of services to the required standard. This means there may be great opportunities to use combined purchasing power to reduce vehicle costs. It may be possible to 'piggy back' on other purchasing agreements or contracts with other similar public sector organisations or to use local purchasing collectives. As shown in Case Study 9 from East Riding of Yorkshire Council, procurement processes can ultimately lead to

more appropriate and less expensive vehicle purchases.

## Sources of Further Information

The Association for Public Service Excellence (APSE) - a non-profit making organisation owned by the local government authorities, assisting members in the implementation and development of best value and modernisation initiatives. APSE promotes quality public services via networking, the sharing of information and best practice. Visit its website [www.apse.org.uk](http://www.apse.org.uk) for more information.

Freight Transport Association Public Authority Transport Network. Contact the FTA on **01892 526171** or visit its website [www.fta.co.uk](http://www.fta.co.uk) for more information.

## Vehicle Disposal

Estimates of vehicle residual values need to be factored into whole-life costing calculations, so it is important that vehicle disposal is considered right from the beginning of operational planning, just like vehicle specification. There are a variety of options available for disposal, including private sale, auction or the use of disposal agencies. The disposal process should be guided by two objectives:

- ➔ Minimisation of administration costs
- ➔ Maximisation of vehicle residual values

As with vehicle purchasing, it can be beneficial to join disposal contracts set up by other public sector organisations in an attempt to reduce costs.

## Case Study 9: Using European Procurement to Your Advantage



“European procurement can be a headache for administration but it can also lead to some very decent outcomes,” says Nigel Rowe, Fleet Manager at East Riding of Yorkshire Council.

In late 2002, Nigel placed an advert in the Official Journal of the European Communities (OJEC) which is now the Official Journal of the European Union (OJEU), for six new body units for waste collection vehicles. According to Nigel, “We received a response back from an Italian company that we had never heard of, which was about £20,000 cheaper than its nearest rival.”

Nigel said he was initially hesitant to go ahead with the contract. “You have to be careful, as sometimes if you go with the cheapest option, you can end up with a disparate fleet meaning you ultimately spend more on maintenance. But, in this case, it wasn’t an issue because the purchase price was just so much cheaper.”

After consulting the refuse collection staff who would ultimately be using the equipment, he decided to ask for a demonstration unit on trial. “We have since bought 22 more units from the same supplier and I reckon it’s one of the best purchasing decisions we’ve ever made.”

# Running the Operation

This section discusses the two tools that can be used to improve operational efficiency - the minimisation of fuel consumption and the maximisation of vehicle utilisation - while still meeting required service levels.

Who should read this section?	Which parts and why?
Strategic Manager	All parts: Reducing fuel consumption will save your organisation money and allow you to deliver services more efficiently. A fuel management programme will reduce the environmental impact of your fleet and can improve the image of your organisation. Better vehicle utilisation can reduce the need to purchase new vehicles.
Fleet Manager	All parts: A fuel management programme can save money, which can be used in other areas to improve operations. Communications and telematics technology can improve vehicle utilisation, reduce the need for new vehicles and lower operating costs.
Operations Manager/ User Department Manager	Driver training: Driver skills development can reduce accidents and damage and allow you to deliver services more effectively. As the person with front-line responsibility for drivers, it is up to you to encourage safe and fuel-efficient driving techniques.

## Operational Tool 1: Reducing Fuel Consumption

### Developing a Fuel Management Programme

It is important to remember that while service delivery and road safety are paramount to public sector fleet operations, fuel is a resource that needs to be well managed. Although fuel use varies considerably across different public sector fleets, it nevertheless represents a major cost in most settings. In certain operations, fuel can account for 30% or more of total operating expenses.

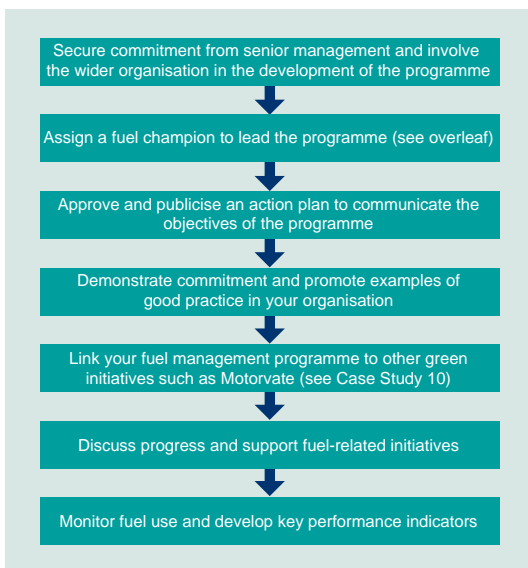
Consider a small local authority fleet, with an annual fleet fuel bill of approximately £400,000, equating to approximately 535,000 litres of diesel used per year (assuming a purchase price of approximately 75 pence per litre). If vehicle fuel consumption were to be improved by only 3% - very achievable through a combination of the measures outlined in this section - then this would lead to a saving of 16,050 litres at a cost saving of approximately £12,000 - the equivalent of the purchase price of a new van for the fleet. This would also lead to a reduction of over 42 tonnes of CO<sub>2</sub> emissions throughout the year - a significant improvement in environmental performance.

Establishing a formal fuel management programme is an extremely effective method of making permanent and lasting reductions in the cost of your operations. Considering the size of many public sector fleets, even a minor reduction in fuel use, as illustrated above, can save thousands of pounds each year and reduce CO<sub>2</sub> emissions by several tonnes.

A comprehensive programme can have the greatest impact if it is developed in a logical and systematic way, rather than introducing various initiatives on a piecemeal basis. It is important to have support for the programme across all levels of your organisation, so that it is sustainable and not just seen as the 'flavour of the month'. Figure 2 below shows the essential steps to developing a fuel management programme.



Figure 2 Steps to Developing a Fuel Management Programme



The fuel management programme addresses every important link in the life-cycle of fuel use within the organisation - from fuel acquisition through to storage, issue to the user and subsequent in-fleet use.

### Sources of Further Information

'Fuel Management Guide' - a comprehensive guide covering many aspects of fuel efficiency including data collection and analysis, vehicle specification and driver training. To obtain a free copy of this publication, contact the Freight Best Practice hotline on 0845 877 0 877 or visit the website [www.freightbestpractice.org.uk](http://www.freightbestpractice.org.uk)

## Assigning a Fuel Champion

It is essential to have an advocate or 'Champion' for your fuel management programme to ensure that it is accepted throughout the organisation and continues to be effective. The Fuel Champion can monitor fuel performance and provide information to the organisation about the programme. Their role is to change the organisation's attitudes towards the use of fuel and encourage staff to regard fuel as one of the public sector's most valuable resources.

The key responsibilities of the Fuel Champion are to:

- ➔ Understand how to gather fuel consumption information, the potential that exists to improve performance and the various ways this can be achieved
- ➔ Develop the strategies required and put them into an action plan
- ➔ Investigate the factors that influence fuel consumption, such as driver performance, overloading, weather and seasonality

In general, it is best to offer this additional role of Fuel Champion to an existing member of staff who has an understanding of vehicles and fuel economy issues. Perhaps someone with some experience of driving a typical vehicle used within the fleet or division. Most importantly, the person must have sufficient authority to allow them to actively encourage change within the organisation. In order to achieve this (and for the whole issue of fuel management to be taken

seriously), they must have direct access to senior management.

## Sources of Further Information

'Fuel Management Guide' - covers the skills, knowledge, and experience required by fuel champions and provides an example of a fuel management programme action plan for developing a fuel management programme.

'Save It! - The Road to Fuel Efficiency and Champions of Fuel' - outlines the benefits of appointing a Fuel Champion.

'Fuel Champion Saves Equivalent of 50 Trailer Loads of Carbon Dioxide a Year' - a Case Study on a fuel management programme developed at BOC Ltd.

To obtain free copies of these publications, contact the Freight Best Practice hotline on **0845 877 0 877** or visit the website **[www.freightbestpractice.org.uk](http://www.freightbestpractice.org.uk)**

## Fuel Selection

Selection of fuel type is a key factor within the fuel management programme, but from the outset it is always worth remembering that alternative fuels should only be considered after steps have been taken to optimise fleet performance.

In recent years, a large number of public sector organisations have introduced alternative fuels into their operations in preference to conventional petrol and diesel, in an attempt to reduce emissions and lower fuel costs. While there are many benefits associated with alternative fuel use, there can also be a number of disadvantages. For example, compared to conventional fuels such as diesel, many alternative fuels may require a greater volume of fuel to be used for the same energy output. The key to effective use of alternative fuel lies in

understanding the comparative strengths and weaknesses of different fuel types, some of which are shown in Table 4 opposite.

It is important to note that the identification and trial of alternative fuels should only ever be one

single element of a much more comprehensive fuel management programme. When deciding on the most appropriate type of fuel (conventional petrol and diesel, or alternative) for a specific situation, it is worth considering:

- The benefits to your organisation
- The outcome of any known evaluations and trials

The operational, financial and environmental advantages and disadvantages of each fuel type

- Supply availability, distances/tank range, and location of refill points
- Conversion costs
- Running costs
- Availability of funding for conversion or infrastructure
- Resale value

Case studies 10 and 11 highlight some of the advantages and disadvantages associated with alternative fuels.

## Sources of Further Information

'Fuel Management Guide' - outlines the advantages and disadvantages associated with different types of alternative fuels. To obtain a free copy of this publication, contact the Freight Best Practice hotline on **0845 877 0 877** or visit the website **[www.freightbestpractice.org.uk](http://www.freightbestpractice.org.uk)**

## Case Study 10: Exploring Alternatives at Hull and East Yorkshire Hospitals NHS Trust



A framework agreement is essentially a general contract that can be used for regular purchasing. Establishing framework agreements with suppliers can help you to avoid the administration involved with drawn-out, ad hoc tendering processes and, at the same time help you to benefit from lower costs.

In 2004, North Lincolnshire Council established a framework agreement for the purchase of light vans. According to Fleet Manager, John Luty, "It took a little bit of time to set up with the supplier initially but, in the longer term, has saved so much time as van replacement makes up such a major part of our fleet activity. At the same time, we are still paying significantly less per vehicle than we could otherwise get at a dealership."

Fuel Type	Advantages	Disadvantages
Diesel	Extensive infrastructure available for refuelling. Wide vehicle selection Relatively high efficiency in terms of MPG, particularly when used in latest generation European specification engines	Polluting in comparison to many alternatives
Petrol	Extensive infrastructure available for refuelling. Wide vehicle selection	Polluting in comparison to many alternatives Comparatively high duty rates
Compressed natural gas (CNG), liquid natural gas (LNG) and liquid petroleum gas (LPG)	Cheaper than conventional fuel Capital grants available for development. Generally less polluting than diesel and petrol vehicles	Vehicles require a modified tank, which can be expensive. Tanks are larger than conventional fuel tanks which may result in a reduction in payload capacity May also cause problems with residual values For some (particularly CNG), refuelling time can be significant Not widely available at petrol stations and usually require on-site storage facilities Staff may be reluctant to use, due to misconception that it is more dangerous than conventional fuel
Biodiesel	Less polluting than conventional diesel	If mix exceeds 5% (or less in some cases), manufacturers' warranties may become void



Fuel Type	Advantages	Disadvantages
Electricity	Little noise and no emissions Vehicles use much less energy than conventional fuel vehicles Tax advantages	Vehicles have less power and a limited range compared to conventional fuel vehicles Batteries can be expensive Recharging can take many hours
Hybrid vehicles	Hybrids combine the 'best of both worlds' of electric and conventional fuels	Goods vehicle hybrids are not widely used and can be more expensive than conventionally powered vehicles

## Fuel Purchase and Storage

Given the size of many public sector fleets, there is scope to save money through improved fuel purchasing arrangements. There are a variety of different policies that can be used but the most common options include:

- ➔ Buying on the 'spot market' - i.e. contacting numerous suppliers to get the best price
- ➔ Contract buying at index prices or fixed prices
- ➔ Using fuel cards at external refuelling facilities
- ➔ Direct account negotiations with a local service station
- ➔ Joining a buying co-operative or sharing facilities with other public sector organisations

Although using fuel cards and purchasing through service stations tends to be more expensive than bulk purchasing, the latter may require significant investment in storage and refuelling facilities.

There is great potential to form purchasing partnerships and facility sharing arrangements in the public sector. These strategies may be particularly attractive for the acquisition and storage of alternative fuels, which tend to require more specialised or expensive on-site facilities.

Policies should be guided by the nature of your operations. For example, rapid response operators such as the National Blood Service and other emergency services may need higher fuel

reserves than other groups, to ensure continuity of service.

### Sources of Further Information

'Fuel Management Guide' - gives tips and outlines issues relating to on-site storage of fuel.

'Fuel Champion Saves Equivalent of 50 Trailer Loads of Carbon Dioxide a Year' - a on a fuel management programme developed at BOC Ltd.

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## Stock Control and Issue

Accurate stock records are fundamental in a good fuel management programme, as Case Study 12 shows overleaf. Leakage, theft, short delivery and incorrect pump calibrations are some obvious problems that impact on stock management.

Where possible, formal written procedures should exist for fuel tanker deliveries. Delivery of fuel should always be overseen by a responsible person fully briefed on emergency procedures. Measurements of stock levels should always be taken before and after deliveries.

It is important to be aware that measures of stock may not always be accurate because of cumulative inaccuracies in measurement systems. Losses or gains of 0.5% can be considered normal in most situations, but it is important to understand some of the causes for stock inaccuracy.

## Case Study 11: Diesel Refuse Vehicles at East Riding of Yorkshire Council



East Riding of Yorkshire Council has 660 vehicles in its fleet which includes vans, minibuses, and grounds maintenance and refuse collection

vehicles. In recent years, the council has undertaken extensive trials of LPG and CNG vehicles. Recently, it considered upgrading its fleet of 12 refuse collection vans from diesel to CNG to reduce fuel costs and lower CO<sub>2</sub> emissions. After carrying out an evaluation, however, it was found that new CNG fuel tanks would reduce the vehicles' payload capacity significantly. While loss of space and payload did not pose significant problems for the council's LPG van fleet, it was a more significant problem for the refuse collection fleet owing to the type of work in which they are involved. Conversion of this fleet to CNG would have meant that the council would need to invest in an additional two vehicles to maintain existing service levels. It was therefore decided that the use of low-sulphur diesel would be a better long-term option for these particular vehicles.

In many cases, drivers in the public sector come under the control of the user department, rather than the fleet management department. It is therefore vital that operational/user department managers understand the role that safe and fuel efficient driving plays in helping to deliver a value for money service.

### Sources of Further Information

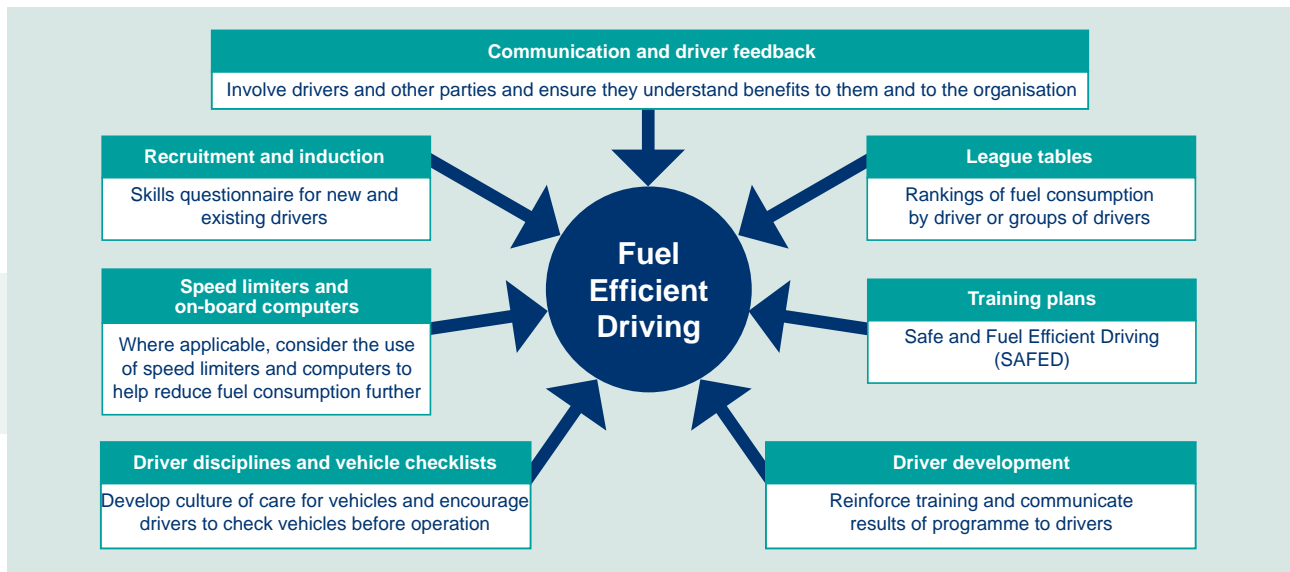
'Fuel Management Guide' - covers calculating stock holdings, stock holding record sheets and considerations for tanker deliveries. To obtain a free copy of this publication, contact the Freight Best Practice hotline on **0845 877 0 877** or visit the website **[www.freightbestpractice.org.uk](http://www.freightbestpractice.org.uk)**

### Driver Training

Driver training should be a core component of any fuel management programme. If drivers are not motivated to take part it is very difficult to achieve sustained reductions in fuel consumption. This is even more crucial in the public sector where vehicle drivers are not necessarily employed as such, and may feel they have more pressing priorities than fuel consumption in their primary activities. It is vital to involve these drivers from the outset and to treat them as genuine partners in the programme.

The figure below shows a range of strategies that can be used to develop and reinforce fuel-efficient driving techniques.

Figure 3 Strategies for Fuel Efficient Driving



## Case Study 12: Monitoring Fuel Use at the National Blood Service

An integrated fuel management system can help to monitor fuel use accurately, as has been the experience of the National Blood Service (NBS). At the NBS, fuel consumption used to be very difficult to monitor, mainly because 12 different fuel card providers were being used across various collection centres.

Problems also occurred because the organisation has eight bulk fuel sites. If a user filled up on-site and then later went to a petrol station to top up using the fuel card, the fuel card analysis reports might show corrupted information on miles per gallon (MPG) and pence per mile (ppm) figures because of the lack of accurate interface data between the two different systems, both internal and external.



In 2003, the NBS rationalised its fuel cards and invested in a fuel management software package. Information on fuel use is now provided electronically by the fuel card provider. On-site facilities have been modified so that staff can also use fuel cards at the bulk fuel tanks. This has removed distortions from the data and means that fuel use can be tracked accurately for each and every vehicle in the fleet.

Large-scale training programmes may not be feasible in many public sector organisations, so it is important to provide information to user department employees in the most appropriate way. As many of the drivers are not employed specifically as such, it is important to keep the message simple and straightforward. Training manuals may be useful, but you can also encourage better driving habits through other methods such as short presentations, as

well as posters and notices with tips on how improvements can be made.

Why not create league tables to show who is your most fuel-efficient refuse collection vehicle driver? Who is the most fuel-efficient fire appliance driver? Healthy, good-natured competition within the organisation can lead to improved performances from a variety of staff.

If comparisons between drivers and vehicles are made, remember it is important to compare similar activities to ensure that comparisons are fair and realistic.

Safety and public image are important issues for any public sector organisation and, in general, fuel-efficient drivers are safe drivers. Training can not only reduce the amount of fuel you use but can also have a range of other positive benefits, such as reduced maintenance costs, fewer accidents and lower insurance premiums. Case Study 13 shows some of the indirect benefits of Safe and Fuel Efficient Driving Training at Sheffield City Council.

### Sources of Further Information

'Companies and Drivers Benefit from SAFED for HGVs: A Selection of Case Studies' contains case studies showing what organisations have achieved by undertaking SAFED training.

'Fuel Management Guide' - covers how to implement driver training, and provides examples of driver questionnaires, training plans, vehicle checklists and methods for sustaining changes.

'Safe Driving Tips' provides hints and tips to goods vehicle drivers. The guide also has references to other sources of useful information.

'Save It! DVD' includes both 'Save It' programmes on one DVD providing a general introduction to fuel-efficient operations and demonstrating the benefits of being a Fuel Champion respectively.

'Fuel Champion Saves Equivalent of 50 Trailer Loads of Carbon Dioxide a Year' - a Case Study on a fuel management programme developed at BOC Ltd.

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## Case Study 13: Driver Training at Sheffield City Council



Sheffield City Council identified a need to train LGV drivers in safe and fuel-efficient driving techniques. As a local authority, the council felt it was imperative that it set a high standard and was eager to promote performance improvements.

John Stevenson, Sheffield City Council's Driver Assessor, was given the task to train 40 LGV drivers, engaged predominantly on road maintenance work, using the Government's Safe and Fuel Efficient Driving (SAFED) Training Programme. The aims of the programme are to improve LGV drivers' fuel-efficient driving techniques and to promote road safety.

The council's involvement in the SAFED programme has been an undoubted success. The council's key aim was to promote increased road safety and driver awareness. John feels certain that this has been achieved, not least because the number of driver fault accident referrals has reduced during the period following SAFED training.

"Without doubt, safety and environmental standards have improved as a result of our involvement in the SAFED programme. That can only be a good thing for the council's own performance and its public image," he said.

## Vehicle Maintenance

Although vehicle maintenance policies are predominantly governed by safety, it is important to remember that vehicle performance and fuel consumption are also affected by maintenance standards. Turbochargers, fuel injection systems, tyres, axle alignment and oil and lubricants are just a few of the factors that have an impact on fuel consumption and should always be maintained to high standards.

As part of training initiatives, it is essential to remind drivers of their responsibility to undertake daily

walk-around checks of vehicles. This not only helps to ensure that vehicles remain in legal roadworthy condition, but also helps identify common problems such as oil and water leaks and incorrect tyre pressure.

There is also scope to make improvements in the way maintenance facilities themselves are operated. Case Study 14 shows an innovative use of workshop facilities at North Lincolnshire Council.

### Case Study 14: Increasing Vehicle Utilisation through Night Maintenance



Increasingly, fleet managers across the public sector are facing pressure to reduce their costs and operate more efficiently. To increase the productivity of vehicles and minimise the need to use capital to purchase new vehicles, many fleet managers are now undertaking scheduled maintenance outside normal working hours.

At North Lincolnshire Council, for example, routine heavy vehicle maintenance is now carried out until 10 p.m. during the working week. In addition, fitters are now MOT approved and the maintenance section is also approved to undertake engineering inspections on taxis. One of the council's MOT testing facilities has also been opened up to the public. This allows spare capacity in the test facilities to be utilised and provides important external revenue, meaning user departments are charged less.

### Sources of Further Information

'Safe Driving Tips' provides hints and tips to goods vehicle drivers, which includes advice on vehicle safety checks. The guide also has references to other sources of useful information.

'Fuel Management Guide' - covers maintenance record-keeping and common vehicle problems that can reduce performance. To obtain a free copy of this publication, contact the Freight Best Practice hotline on **0845 877 0 877** or visit the website **[www.freightbestpractice.org.uk](http://www.freightbestpractice.org.uk)**

## Aerodynamics

In general, aerodynamic vehicles use less fuel than vehicles without aerodynamic features. With good aerodynamic styling appropriate to your vehicles, you can easily lower their fuel consumption and save money, without having an impact on service levels.

The scope for cost savings is greatest in operations that experience high levels of drag, i.e. in situations where there is:

- ➔ Higher speed and longer distance travel
- ➔ Large vehicle frontal area
- ➔ Poor initial aerodynamic design

For these types of operations, vehicle drag can be reduced significantly with the use of appropriate and well-maintained aerodynamic features. You can look for these when purchasing new vehicles, or have them fitted to your existing fleet. These aerodynamic features include items such as cab roof fairings and deflectors, chassis and trailer side panels and air dams.

Although the level of fuel savings resulting from aerodynamic styling will depend on many factors, as a rule of thumb, fuel consumption can be reduced by between 6% and 12% when suitable well-maintained and correctly adjusted aerodynamic features are fitted to vehicles operating on longer distance routes.

## Sources of Further Information

‘Truck Aerodynamic Styling’ - offers truck operators practical information on aerodynamically styled trucks and appropriate add-on features.

‘The Streamlined Guide to Truck Aerodynamic Styling’ - provides a brief introduction to aerodynamic styling and its benefits.

‘Fuel Champion Saves Equivalent of 50 Trailer Loads of Carbon Dioxide a Year’ - a Case Study on a fuel management programme developed at BOC Ltd.

To obtain free copies of these publications, contact the Freight Best Practice hotline on **0845 877 0 877** or visit the website **[www.freightbestpractice.org.uk](http://www.freightbestpractice.org.uk)**

## Fuel Use - Monitoring, Targeting and Review

A fuel management programme cannot work effectively without fuel monitoring and the use of KPIs. It is important to remember that ‘what isn’t measured can’t be managed’. General KPIs and performance monitoring are outlined in greater detail in Section 6 but a number of important

issues specifically relating to monitoring fuel use are noted here.

It is important to understand that errors tend to be inherent in any fuel measuring system and that it is normal to encounter inaccuracies when measuring fuel. Fuel dispensing pumps may be outdated and poorly maintained, and temperature can also have an effect on volume readings. Vehicle fuel consumption can even vary between seasons. It is therefore very important to find and correct fuel data errors as far as possible.

Once data are considered to be accurate enough, it is recommended that you establish a base-line and monitor performance through standardised reporting on areas such as:

- ➔ Bulk tank reconciliation
- ➔ Individual vehicle performance
- ➔ Individual driver performance
- ➔ Exception reports

Fuel KPIs (such as miles per gallon (MPG) or litres per kilometre (l per km)) are particularly useful for operations that involve regular routes, such as refuse collection services. Why not compare MPG performance from one week to the next? This will help you to realise quickly if there’s a problem with the vehicle, or perhaps the driver.

It is important to understand that a variety of factors affect fuel consumption including drivers, loads, seasonality and traffic. To understand the way these factors affect fuel consumption, drivers should be encouraged to note unusual events they encounter while on the road, such as heavy traffic, roadworks and diversions. Remember also that power take-off equipment can have a significant impact on fuel consumption, and should be considered during vehicle specification and when monitoring fuel consumption.

Engine idling can be a major factor in high fuel consumption. Whether a vehicle sits stationary in a traffic jam with the engine running or a driver leaves the engine ticking over on a cold winter’s morning, it all leads to excessive and unnecessary fuel use and unnecessary vehicle emissions. Think of the potential financial and environmental savings your organisation could make by

implementing your own internal 'anti-idling campaign'.

## Sources of Further Information

'Fuel Management Guide' - covers reports, analysis and league tables that can be used to monitor fuel performance.

'Fleet Performance Management Tool' - a spreadsheet tool and accompanying guide to help operators measure and monitor vehicle performance in terms of cost, utilisation, customer service and compliance.

To obtain free copies of these publications, contact the Freight Best Practice hotline on **0845 877 0 877** or visit the website **[www.freightbestpractice.org.uk](http://www.freightbestpractice.org.uk)**

# Operational Tool 2: Maximising Vehicle Use

Reducing fuel use is just one of the many ways to improve your fleet operations. Making better use of vehicles can allow you to do more with less, having just as dramatic an impact on operational costs as measures aimed solely at reducing fuel use.

## Use of Information

It is essential to collect information on your fleet operations on a continual basis. If you do not, it is very difficult to target areas for improvement and monitor progress. Case Study 15 opposite shows how a public sector operator monitored its fleet activities over time and, as a result, optimised its use of resources.

## Communications

Use of appropriate communications technology can improve the effectiveness of your operations and lead to better vehicle utilisation, or a potential reduction in the number of vehicles you need to carry out the job in the first place.

Communications technology can be combined with telematics systems to allow you to manage drivers more effectively and at a lower cost (e.g. by using a messaging system to contact drivers instead of mobile phones).

Alternatively, you can benefit from simply talking to user departments and their drivers on a regular basis to find out what problems they experience in their day-to-day operations. A formal programme to seek feedback from drivers will not only provide you with useful information, but will help to make employees more conscious of fleet matters. This is particularly important in public sector fleets where driving may be a subsidiary part of their primary role.

## Telematics

Telematics involves the use of computers to control and monitor remote devices or systems. As a result of rapid improvements in satellite tracking and communication equipment over the past decade, telematics systems are being used for a wide range of tasks, including vehicle tracking and driver performance monitoring, as well as for on-board communication and navigation systems.

Despite recent advances, telematics is not widely used in public sector fleets, and this may be due partly to the fact that many systems cater primarily for the needs of private sector transport operators (e.g. by providing paperless manifest/proof of delivery systems).

However, telematics systems do have the potential to be useful in many public sector fleet operations. Vehicle tracking systems can be effective in ensuring load security and driver compliance. In addition, driver monitoring can help to identify drivers with poor driving styles, who can subsequently be provided with training, as shown in Case Study 16 overleaf.

Often, public sector fleets need to react to problems at short notice, and this is where telematics can be particularly helpful - the ability to divert and reallocate vehicle and driver resources at very short notice can help to deliver improved service levels. Case Study 17 overleaf describes one such application in the London Borough of Lewisham.

## Sources of Further Information

'Telematics Guide' - details components of telematics systems, telematics applications and their benefits, and product and supplier specification guidance. To obtain a free copy of this publication, contact the Freight Best Practice hotline on **0845 877 0 877** or visit the website **[www.freightbestpractice.org.uk](http://www.freightbestpractice.org.uk)**

### Case Study 15: A Commercial Approach to Resource Management: the West Midlands Ambulance Service

The West Midlands Ambulance Service (WMAS) is the second largest ambulance service in the country, servicing more than 4 million people over an area of 1,200 km<sup>2</sup>. The service employs 1,500 staff and operates 350 vehicles.

In 2001, WMAS built two control centres to manage resources for its emergency and patient transport services. The centre uses state-of-the-art communications and satellite technology to help call centre operators to pinpoint the location of callers and ambulances.

The emergency control centre also uses a 'predictive analysis' system, which can help determine where vehicles are most likely to be needed across the network. The system works by looking at ambulance requirements on 'equivalent days' (i.e. similar times/days of the week, weather conditions, etc), and then uses this information to guide deployments to key 'standby points' at specific times. For example, due to a

history of accidents at the location, an ambulance is deployed to the M5/M6 interchange near Walsall during morning peak hours throughout the working week.

The system enables WMAS to respond more effectively to emergencies, while, at the same time, helping to improve fleet utilisation as a whole. When not positioned at standby points, emergency ambulances can also provide non-emergency patient transport services. Because the two call centres operate together and use a common system, patient transport vehicles can switch seamlessly to the emergency channel at times of major incidents.

As a result, patient transport services are now much more efficient than they used to be and, no doubt, a contributing factor to this efficiency is improved communications. Prior to 2001, the non-emergency service was heading for a loss of £1.5 million per year. The new communication and call centre facilities have helped to turn this deficit around and the service now breaks even.

In the next 12 months, WMAS is actively pursuing the use of Personal Data Systems (PDAs) for the

non-emergency service after a pilot project showed how this minimised voice traffic between the crew and operator and can increase efficiency.



## Case Study 16: Telematics at Barnsley Metropolitan Council



Barnsley MBC operates approximately 450 vehicles for a variety of activities such as waste collection, highways maintenance, pest control and special needs transport for education. With more than 450 employees driving council vehicles, it was not deemed feasible to provide organisation-wide driver training.

As a less expensive and more targeted method for improving driving styles, the council decided, in 2002, to install telematics systems into selected vehicles to provide, among other things, information on driver behaviour. The system works by identifying and flagging up instances of harsh acceleration, harsh braking and speeding. This information is then made available to operations managers to identify specific training needs for individuals.

## Computerised Vehicle Routing and Scheduling

Efficient routing and scheduling can help to improve vehicle utilisation and reduce fuel consumption. Like telematics, computerised vehicle routing and scheduling (CVRS) tends not to be widely used throughout the public sector and, at first glance, may seem more appropriate for commercial transport operations.

However, CVRS has the potential to be very useful for a variety of operations performed by public sector fleets. Waste collection, school bus services, community transport services (such as delivery of meals) and the delivery of medical supplies are complicated operations involving extensive driving across a network or segment of a network. These types of activity can be streamlined using efficient routing and scheduling.

There are two main types of CVRS system - journey planners and vehicle scheduling systems. Journey planners help to determine the best course and call sequence for a single route. Vehicle scheduling systems are similar, but also take into account the time and resources required to complete the work (e.g. delivery time windows and labour). Both systems can reduce mileage and fuel use, but vehicle scheduling systems can also be used to rationalise transport operations on a wider level (i.e. by improving vehicle utilisation within a large fleet) and, as a result, tend to be more expensive to acquire.

In many cases, a journey planner may do the job adequately (e.g. to determine the most effective way to route refuse collection vehicles) and is probably a good starting point before investing in a more comprehensive vehicle scheduling package. There are now a number of good 'off-the-shelf' journey planning software packages available on the market, which include detailed address and network information.



## Case Study 17: Use of Personal Data Assistants in the London Borough of Lewisham



In mid-2004, the London Borough of Lewisham began a trial of communications technology in its refuse collection fleet. The system uses PDAs or 'pocket PCs' to enable drivers and operations controllers to communicate with one another to address problems that may occur during service delivery.

Before the system was introduced, vehicles would often collect bins, run to a landfill site to empty and then return to the depot before making a second run to collect missed bins. However, now that missed collections can be logged immediately and seen on-screen by the operations manager (via a special website), vehicles can be diverted for unscheduled stops before they go to offload. This not only reduces the distance vehicles travel but has also helped to increase the vehicle fill rate, which has allowed the council to avoid investing in additional vehicle capacity.

According to Fleet Manager, Noel Everest, the system has been highly successful in improving service delivery and responsiveness, decreasing fuel use and increasing vehicle utilisation. The number of missed bins (a standard KPI for refuse collection services) has been reduced significantly and the council is now looking at how the system can be expanded for use across its entire fleet.

### Sources of Further Information

'Computerised Vehicle Routing and Scheduling for Efficient Logistics' and 'Concise CVRS'- two guides (full and pocket-sized) that introduce CVRS and provide an overview of the systems and capabilities available. To obtain free copies of these publications, contact the Freight Best Practice hotline on 0845 877 0 877 or

visit the website [www.freightbestpractice.org.uk](http://www.freightbestpractice.org.uk)

# Improving the Operation

Who should read this section?	Which parts and why?
Strategic Manager	All parts: Performance monitoring develops a culture of 'continuous improvement' and can lead to sustained reductions in operating costs.
Fleet Manager	All parts: Performance monitoring helps you to assess the effectiveness of changes you make to the fleet and in the development of new policies and targets.

## Keeping Your Operation Fit and Healthy

The importance of performance measurement in any transport operation cannot be overstated. Unless you can accurately measure the resources you use in delivering services, it is very difficult to identify areas that can be improved or to assess the impact of any of the operational changes you make.

Benchmarking, targeting, monitoring and reviewing are the 'glue' that really binds efficiency initiatives together and allow you to build on the positive changes you have made to your operations.

What practical steps can you take to keep your operation fit and healthy? What should you measure, and with whom or what should you compare your operation? Figure 4 shows the key processes in a benchmarking and performance monitoring programme.

## Measuring Performance

The starting point for any performance monitoring programme should be internal benchmarking. If you do not have a thorough understanding of your own operations, there is no point in trying to compare them to others.

Careful consideration should be given to vehicle, staff or other operational KPIs you choose to measure and use to monitor your performance. As a general rule, it is best to keep it simple. Try to have as few KPIs as possible and make them easy to measure and simple to interpret. As mentioned in the previous section, fuel consumption is a good place to start because it is a constant across all vehicle fleets.

Some of the KPIs already developed by the Freight Best Practice programme, such as time utilisation and fuel efficiency, may be relevant for many public sector operators. Time utilisation refers to how much a vehicle is used throughout the course of a day, while fuel efficiency is the energy intensity of work done. Energy intensity takes into account the work being carried out while the fuel is being used. The measure is based on the load moved and the distance travelled for a particular amount of fuel.

Table 5 opposite lists a range of KPIs specifically developed for transport and vehicle maintenance operations in the public sector.

Some of the benefits of developing a benchmarking programme to compare performance across a range of operational areas are outlined in Case Study 18.

Figure 4 The Key Processes for Benchmarking and Performance Monitoring

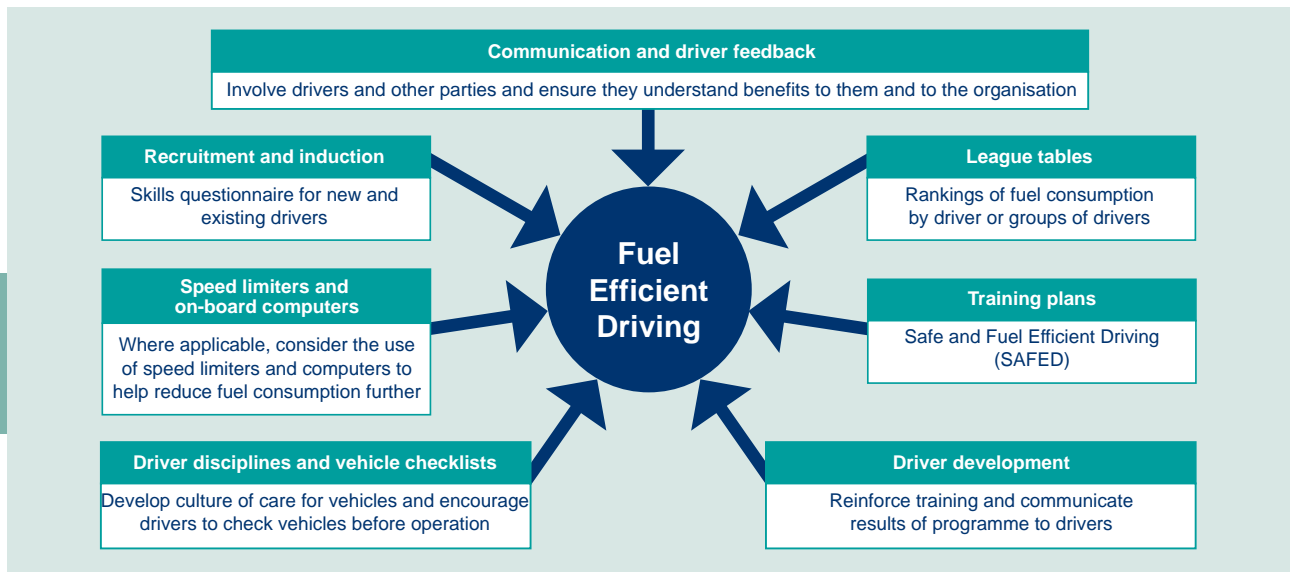


Table 5 KPIs Specifically Developed for Transport and Vehicle Maintenance Operations

Transport Operation Costs	Pence per mile/kilometre (supply and maintain vehicle) Pence per mile/kilometre (maintenance costs only)
Vehicle Maintenance Costs	Contract maintenance hire charges (supply and maintain vehicle) Direct maintenance cost per vehicle Direct maintenance cost per weighted vehicle Direct maintenance cost per vehicle (excluding non-fair wear and tear)
Other Qualitative Indicators	Staff absence (fitters/tradesmen only) Customer satisfaction surveys Average maintenance cost per weighted vehicle Percentage of vehicles serviced on time Overall percentage fleet availability Percentage of workshop user complaints to jobs Number of days hire vehicles used to cover vehicles in workshop

Source: The Association for Public Service Excellence (APSE): Selected 2003/2004 Transport Operations & Vehicle Maintenance Performance Indicators.

## Setting Targets

Once KPIs have been selected and a way of measuring them has been established, the next step is to set targets for improvements. This is where external benchmarking is very useful. By looking at what other similar organisations/operations are achieving, you can get an idea of what you should aim to achieve. Ideally, you want to measure your own fleet's performance against both the average and best of these.

Even if it is very difficult to compare your own operations to those performed by other public sector bodies, external information can be used

as a rough guide for developing your targets. In the initial stages of your benchmarking programme, you do not necessarily need to make direct comparisons between the KPIs for your operations and those for others. Talk to another fleet or operations manager who has an established benchmarking programme and find out what they have achieved. Perhaps you could consult with an organisation such as the Association for Public Service Excellence (APSE), which specifically develops and promotes KPIs for the range of public service operations.

Rather than comparing absolute numbers, you might want to aim for a more general reduction

in percentage terms (e.g. a 5% reduction in pence per mile or kilometre). When your programme is more established, you can then turn your attention to understanding how your specific KPIs compare to those of other organisations and then aim to improve them further.

## Case Study 18: Benchmarking at the North East England Police Fleet Managers' Group

To get a good understanding of your own fleet performance, it is essential to talk to peers in other organisations. The North East England Police Fleet Managers' Group has been running for around ten years and has developed a benchmarking programme to compare performance across a range of operational areas.

According to John Draper, the chair of the group and the Fleet Manager for West Yorkshire Police, the members have always understood the importance of benchmarking. "I think everyone understands the benefit of benchmarking, and if used correctly, benchmarking can provide the necessary information and guidance for a performance review framework to use for improvement in any organisation. Implementation can help achieve efficiencies and best value."

The North East England Police Fleet Managers' Group has recently developed a standard set of KPIs to enable comparison of basic vehicle operating costs. At this stage, the programme is focused on cars, however, there is a plan to extend it to light commercial vehicles in the future. According to John Draper, "The beauty of the approach we have taken is that it is quite straightforward, so it actually works for any type of vehicle." The categories of information for individual vehicles shared between members are:

- ➡ Average capital expenditure pence per mile (ppm)
- ➡ Average maintenance cost ppm
- ➡ Average fuel cost ppm



➡ Total vehicle operating cost

➡ Fleet average operating cost

Members can compare costs between different makes and models within their own fleets, as well as those of other members. For instance, 'Force A's' maintenance costs might be higher than 'Force B's', mainly due to the fact that Force A is responsible for policing a densely populated urban area with much driving undertaken in heavy traffic conditions. This frequent stop-starting could lead to increased wear and tear on the vehicle and the need for greater maintenance. Average fuel cost might also be higher as a result of this operating environment.

Although the size and composition of the members' fleets vary considerably, comparisons are still very useful. According to John, "There will always be differences in costs but at least when they're fairly large, we can look at the different components and get an idea of what's driving them. For instance, you might find that repair costs are noticeably higher for one member because they might not be getting a good deal from their contractor. We can then talk to each other about our maintenance operations, and figure out how others can find a better deal."

## Your Own Performance

Targets do not need to be perfect - the act of setting one and monitoring your progress towards achieving it is what is really important. Always remember that monitoring and reviewing is an on-going process. If the target was met very easily, you need to go back and look at your target, and 'raise the bar'. If you fall well short of the target, you should try to understand why this might have occurred and readjust your future target levels.

Failing to meet a target does not necessarily imply failure of your initiative. You might find that the external organisation with which you compared your own operation and used to set your targets may differ in some way to yours. This might explain why your KPI results differ. For instance, although you might have compared

your operation with a similar one using similar vehicles, your vehicles may be operating in a different type of environment (e.g. a hilly area in the Peak District compared to a flat area in East Anglia).

## Performance of Contractors

Activities contracted out to third parties should also be benchmarked, monitored and reviewed in the same way as in-house operations. Car hire, vehicle maintenance and tyre management companies should provide the information you need to derive your own KPIs and, in many cases, they will actually work them out for you. As shown in Case Study 19, the National Blood Service (NBS) has used this principle very effectively to monitor its maintenance contractor.

### Case Study 19: Maintenance KPIs at the National Blood Service



When it comes to transporting blood products, fleet availability and reliability are key issues. A review of fleet operations at the National Blood Service (NBS) found that outsourcing maintenance could reduce costs significantly. However, it was important to make sure that vehicles would not be taken out of service for any

longer than was absolutely necessary. To address this, the NBS developed a number of KPIs for maintenance operations, which are monitored closely to ensure that it gets the level of service required.

Statistics show that most maintenance contractors work on an average of 59% for first time annual test passes, while the NBS and its contractor work to a KPI level of 98%. A high threshold has also been set for vehicle availability at 95% and KPIs also exist for factors such as response times for breakdowns. A special KPI was developed called 'blood on board'. If a vehicle carrying blood breaks down, there must be a response within 20 minutes to deal with the onward transportation of the blood products and vehicles must be given roadside assistance within one hour.

The NBS works closely with its contractor and monitors the performance in these areas on a monthly basis. As a result, maintenance costs have been reduced with no adverse effect on service delivery.



## Sources of Further Information

'Key Performance Indicators for Non-food Retail Distribution' - discusses the results of the 2002 benchmarking survey in this sector. It covers empty running, time utilisation, deviations from schedule, and fuel consumption.

'Key Performance Indicators for the Food Supply Chain' - discusses the results of the 2002 benchmarking survey in this sector. It covers empty running, time utilisation, deviations from schedule and fuel consumption.

'Key Performance Indicators for the Pallet Sector' - discusses the results of the 2002 benchmarking survey in this sector. It covers empty running, time utilisation, deviations from schedule, and fuel consumption.

'Fleet Performance Management Tool' - a spreadsheet tool and accompanying guide to help operators measure and monitor vehicle performance in terms of cost, operational utilisation, customer service, compliance and maintenance.

To obtain free copies of these publications, contact the Freight Best Practice hotline on **0845 877 0 877** or visit the website **[www.freightbestpractice.org.uk](http://www.freightbestpractice.org.uk)**

## Networking and Signposting

The importance of networking and sharing

information with your colleagues in public sector fleet operations must not be underestimated. Many public sector fleet operators find the networking opportunities provided by organisations such as APSE (through its Performance Networks) or the Freight Transport Association (through its Public Authority Transport Network) of great benefit in signposting and sharing concerns and information.

## Sources of Further Information

The APSE - a non-profit making organisation owned by the local government authorities, assisting members in the implementation and development of best value and modernisation initiatives. APSE promotes quality public services via networking, the sharing of information and best practice. Visit its website [www.apse.org.uk](http://www.apse.org.uk) for more information.

Freight Transport Association Public Authority Transport Network (PATN) is an 'e' enabled networking group to which municipal vehicle operators who are in the public sector and members of the Freight Transport Association, subscribe to discuss and share best practice. Contact the FTA on **01892 526171** or visit its website **[www.fta.co.uk](http://www.fta.co.uk)** for more information.

FTA Technical Officers' Group - an FTA member group formed to identify and resolve overloading issues related to compaction refuse collection vehicles. Contact the FTA on 01892 526171 or visit its website [www.fta.co.uk](http://www.fta.co.uk) for more information.



# Summary

## How Can this Guide Help to Improve Operational Efficiency?

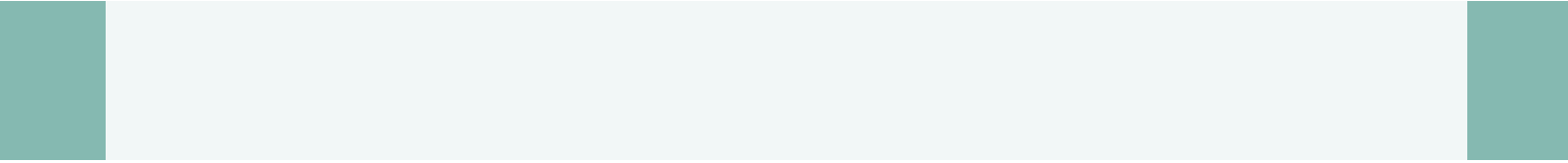
Having read the guide and considered the ideas contained within it, you should be better equipped to:

- Understand the vital role that fleet operations play in your organisation's delivery of services
- Understand the importance of undertaking a review of fleet operations to identify areas for potential efficiency improvements
- Understand how outsourcing part of your operation might help to improve operational performance
- Implement a successful fuel management programme within your organisation
- Act as, or appoint, a Fuel Champion to promote fuel efficiency within your operation
- Consider the importance of basing fleet decisions on whole-life costing, rather than just initial outlay
- Review the potential role that new technology and telematics systems might play in improving your operation
- Monitor, target and review efficiency levels, in terms of both fuel use and broader operational issues, and use KPIs to undertake internal and external operational reviews
- Seek further detailed information on specific subject areas relating to public sector vehicle fleet efficiency from the sources signposted within the guide

Most importantly, you should also have seen, through the Case Study examples, how other operators in the public sector have developed innovative operational ideas and put these into practice, to help improve service level delivery while reducing operating costs and the environmental impact of their operations.



These case studies demonstrate that improvements in performance really can be made in public sector fleet operations and that many of your peers are leading the way by adopting best practice across a variety of areas.



# Appendix

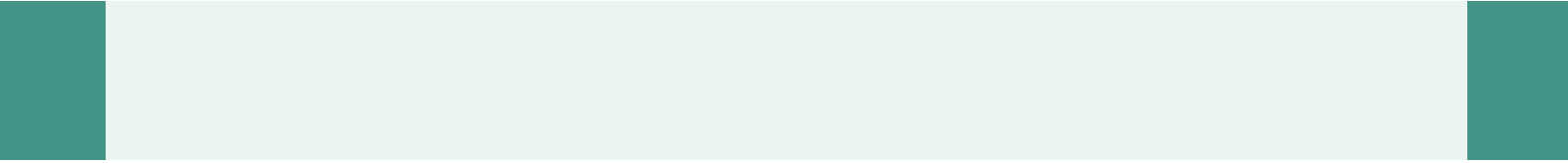
A list of organisations and operations currently within the public sector and identified in preparation for this guide, is given below. It shows a range of public organisations that operate fleet or goods vehicles. It is not an exhaustive list.

## Public Sector Organisations

### Example Organisations and Operations

#### ↳ Local Authorities

- • Refuse collection
- • Parks maintenance
- • Social/housing services
- • Roads maintenance
- Emergency Services (Fire, Police, Ambulance)
- • Emergency activities
- • Non-emergency activities
- Ministry of Defence
- NHS Logistics Authority
- NHS Trusts
- Environment Agency
- Highways Agency
- Forestry Commission
- BBC
- HM Revenue and Customs
- British Geological Survey
- British Waterways
- Schools, Colleges, Universities
- Film Council



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### *Saving FUEL*

#### **Fuel Saving Tips**

This handy pocket book is ideal for drivers and managers looking for simple ways to reduce fuel consumption.

### *Performance MANAGEMENT*

#### **In-Fleet Trials of Fuel Saving Interventions for Trucks**

This guide shows how to establish the potential performance of fuel saving devices in your fleet.

### *Developing - SKILLS*

#### **SAFED for Vans: A Guide to Safe and Fuel Efficient Driving for Vans**

This guide outlines the elements of the Safe and Fuel Efficient Driving (SAFED) scheme and explains the content of the one-day SAFED training course for Vans.

### *Multi - MODAL*

#### **Choosing and Developing a Multi-modal Transport Solution**

This guide provides a useful insight into the rail and water freight industries, explains the process for making an informed choice about modal shift, and also explains the availability of financial assistance such as grant funding.

### *Equipment & SYSTEMS*

#### **Truck Specification for Best Operational Efficiency**

A step-by-step guide to the process of correctly specifying an efficient and 'fit for purpose' vehicle.

### *Case STUDIES*

There are over 25 case studies showing how companies have implemented best practice and the savings achieved. Check out the following selection of case studies:

- Tesco Sets the Pace on Low Carbon and Efficiency
- Engine Idling – Costs You Money and Gets You Nowhere!
- Power to Your People - Motivation Breeds Success