



Report for:	Cabinet
Date of meeting:	21 May 2019
Part:	1
If Part II, reason:	

Title of report:	Vehicle Repair Shop
Contact:	Portfolio Holder for Environmental Services Author/Responsible Officer: David Austin – Assistant Director Neighbourhood Delivery Craig Thorpe – Group Manager Environmental Services Simon J Smith – Transport Manager
Purpose of report:	To update Cabinet with regards improvements to the Vehicle Repair Shop at Cupid Green Depot and to seek approval for the maintenance of Clean Safe and Green and Cemeteries equipment to be brought back in-house.
Recommendations	<ol style="list-style-type: none"> 1) That Cabinet approve the proposal to bring the repair and maintenance of vehicles and equipment used by Clean Safe and Green and Cemeteries back in house. 2) That Cabinet recommend Council approve the additional capital funds required of £60k as outlined in this report in paragraph 3.4.
Corporate Objectives:	Maintain a clean and safe environment.
Implications:	Financial This proposal will generate cash savings of circa £27k per annum, with a part year cash saving of circa £7k in 2019/20. Further details are outlined in section 2 of this report.
'Value For Money Implications'	Value for Money

	The maintenance of equipment by Dacorum Borough Council staff does offer better value for money when compared to the current arrangements.
Risk Implications	The main risk is around ensuring that the equipment is correctly maintained so that it is operated safely by frontline staff. The proposal in this report considers this aspect with regard to the resources required and additional training that will take place.
Community Impact Assessment	Not required for this proposal.
Health And Safety Implications	As outlined in this report there is a need for capital investment to the workshop to minimise the risk of health and safety issues in the workshop.
Monitoring Officer/S.151 Officer Comments	<p>Monitoring Officer:</p> <p>The proposal should add to service resilience and produce a financial saving for the council as highlighted in the report .</p> <p>The service will need to ensure that all health and safety audits and checks are complete prior to the handover back to Dacorum.</p> <p>S.151 Officer</p> <p>The revenue implications of bringing the vehicle repairs service in house would reduce the services, existing financial pressure by £27k p.a., with a part year effect in 2019/20.</p> <p>The capital project would be an addition to the overall capital programme of £60k and would be funded through capital receipts received in 2019/20.</p>
Consultees:	None
Background papers:	None

Glossary of acronyms and any other abbreviations used in this report:	VRS – Vehicle Repair Shop TM – Transport Manager DVSA – Driver and Vehicle Standards Agency
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1. Maintenance of Vehicles and Plant

1.1. The Fleet Services Department currently manages the repair, maintenance and inspection of approximately 100 vehicles through its Vehicle Repair Shop (VRS) on behalf of Dacorum Borough Council. The service is based at the rear of the Cupid Green Depot. The vehicles are mainly conventional refuse collection vehicles used by Waste Services however it also manages a number of caged tippers and standard transit type vans on behalf of other services such as Clean, Safe and Green (CSG), Housing and Cemeteries.

1.2. The service is managed by the Transport Manager Simon J Smith who, since his appointment, has introduced a range of improvements to the Vehicle Repair Shop including:

- Better recording of technician productivity and recording of times booked on each job.
- Provision of real-time data on work being carried out in workshop.
- Improved stock control.
- Negotiated prices on all parts.
- Outsourcing of tyre contract.
- Introduction of best practice of a brake test with all safety inspections resulting in improved MOT pass rate.
- More recently, the award of new contract for the provision of new refuse freighters using a fleet standardisation approach.

1.3. With these improvements already in place, the Transport Manager is keen to bring the maintenance of CSG and cemetery equipment back in-house. The contract for the repair and maintenance was originally awarded to Luton Borough Council in 2012 on a five year contract and has since been extended (via a clause in the contract) to allow the viability of this proposal to be assessed.

1.4. Although entering into a contract with Luton Borough Council was the correct decision at the time the recruitment of an experienced Transport Manager alongside Skilled Technicians, Fleet Service Advisors and the replacement of old equipment means that Dacorum Borough Council are now in a position to consider bringing the maintenance of its Clean, Safe & Green plant and equipment back in-house.

1.5. The return of this service in-house will have tangible benefits, namely;

- A coordinated centralised Fleet Management team that will control all fleet assets.
- More control over scheduling and maintenance.
- Improved compliance.
- Improved response times.
- Reduced external expenditure (in hourly rates and travel/response time).
- More resilience.
- Reduced costs.

2. Financial Implications

2.1. For comparison purposes, the hourly rate of a Dacorum Employed Skilled Technician is £25.73. The hourly charge out rate of a vehicle fitter employed by Luton Borough Council is £49.69 per hour.

2.2. On average, Dacorum Borough Council spends on average £150,000 per annum with Luton Borough Council to carry out the maintenance and repair of the Clean, Safe & Green and Cemeteries equipment.

2.3. All parts and contractor repairs charged to Dacorum Borough Council by Luton Borough Council have a “mark up” of 15%.

2.4. The VRS would require the following additional resource for this additional work:

- 1 x additional Skilled Technician
- 0.4 x Fleet Advisor post (15 hours)
- 1 x Fleet Inventory Controller

2.6 The VRS is open from 06:30 to 17:30 Monday to Friday. The additional Skilled Technician is required to help cover an 11 hour shift, sickness and annual leave and training.

2.7 An additional Skilled Technician will also enable the service area to go mobile and respond to breakdowns and service needs anywhere within the Borough, thus reducing the need to transport equipment back to Cupid Green for service and incur the additional costs associated with doing so.

2.8 Increasing the hours of the Fleet Advisor by 15 would mean that in reality Fleet Services would have 2 full time equivalents to cover core opening hours, sickness and annual leave.

2.9 The revenue implications of this are as follows:

Requirement	Cost
Growth/Revenue	
1 x Additional Skilled Technician	£43,600 pa
1 x Fleet Advisor (15 hours pw)	£11,770 pa
1 x Fleet Inventory Controller	£ 33,460 pa
	£88,830

2.10 It is therefore estimated that by ceasing the current maintenance contract with Luton and employing an additional 2.4 members of staff in the vehicle repairs service the repair work can be brought back in-house and would achieve a reduction in the cost of service delivery of circa £27k p.a. This is made up as follows :

- Current Spend at Luton £150,000

- DBC Costs of New Posts £88,830
- Parts Costs £33,769

- **Reduction in Spend £27,401**

3.0 The Vehicle Repair Shop Building

3.1 Alongside this proposal there is also a need to invest in the building itself as currently there is a lack of security and control within the service area which could lead to serious health and safety issues. Incidents have already occurred within this working environment that have, in recent years, drawn the attention of both the Health and Safety Executive and the Driver and Vehicle Standards Agency.

3.2 Several Health & Safety audits (Rosherville Safety Solutions and H&S teams) have also raised concerns over the safety, security and control within the workshop environment.

3.3 The service therefore requires:

- A reception area that will create one point of contact for all visitors to the workshop and remove the risk of unauthorised personnel wandering around this hazardous environment.

- A DDA compliant male and female toilet facility.

- A secure ground floor transport stores with a safe loading and unloading area for the delivery of all parts and materials used within the transport workshop.

3.4 The capital costs for these works will be:

Capital	
Fleet Service reception area	£25,000
DDA compliant WC's	£20,000
Stores area	£15,000
	£60,000

4. Risk Implications

4.1 The main risk to this proposal could be the recruitment of skilled fitters as this is a competitive marketplace although the investment within the Vehicle Repair Shop and leadership of the Transport Manager will assist us in attracting suitable candidates.

4.2 The second area of risk will be ensuring the correct servicing and maintenance arrangements are in place. Following the recent acquisition of a new Tranman system (software to manage fleet) the Transport Manager will have the necessary checks in place which should lead to improved compliance.

5. Summary

5.1 Fleet Services is currently spending significant resources in a number of areas with external contractors/manufacturers and Luton Borough Council. With the correct

infrastructure in place - both in terms of personnel and building improvements - the service is confident that not only can external spend be reduced by undertaking more maintenance in house as outlined in this report but the service can also begin to look at other commercial opportunities to generate income.

5.2 To allow time for the recruitment of the additional staff and the for the capital works to be carried out the proposal will commence in real terms from January 2020.