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Public

Agenda Item No. 6(e)

DERBYSHIRE COUNTY COUNCIL

CABINET

10 September 2020

Report of the Director - Economy, Transport and Environment

COUNTY TRANSPORT ENTERPRISING COUNCIL REVIEW (HIGHWAYS, TRANSPORT AND INFRASTRUCTURE)

(1) **Purpose of Report** To inform Cabinet of the outcome of the Enterprising Council review of County Transport fleet services which proposes an Internal + External Top Up model for delivery of the service and seek approval for the proposed improvement plan to make changes to the way the Council manages its vehicle fleet to reduce the overall financial and environmental costs. This work will focus heavily on reducing grey fleet travel (journeys undertaken by employees on council business); developing a council wide approach to the deployment of vehicles to minimise the need to hire in from external providers; and introducing low carbon alternatives in the core fleet.

(2) **Information and Analysis** County Transport provides fleet management and maintenance services for all Council departments and also a number of external organisations. It was originally identified as an Enterprising Council "early start" as part of the Highways Review, but as these services are fundamentally different, the Highways Review was progressed separately. Highways and Property Services are County Transport's two biggest internal customers, therefore, the review was re-programmed to follow the two Enterprising Council reviews of those services.

The review looked at the two distinct elements of the service: fleet management and fleet maintenance. It was considered important to distinguish between the two as they are very different functions that could be managed separately or together through a variety of different delivery models.

The fleet management element of the service is responsible for providing cost-effective solutions and advice regarding the purchase, lease or hire of the Council's core fleet, circa 500 vehicles including gritters, mobile libraries, lorries, street lighting platforms, vans, minibuses, 4x4 vehicles, trailers, plant, and pool cars. The fleet maintenance and repair service covers the Council's core fleet and also that of a number of external customers, including other Derbyshire public sector organisations. The largest contract is for Derbyshire

Constabulary which was won through competitive tender.

The County Transport review was progressed with the help of Proving Services Ltd, the same company that undertook the Highways Review in 2018. Proving Services operate the Future Highways Research Club which comprises 22 highways authorities across the country which pursues and shares best practice and service improvement.

Through the review a set of strategic drivers was developed for the service as follows:

- "*Pursue revenue generation and cost recovery options to ensure that the service delivers an operational surplus.*
- *Create a fit-for-purpose fleet for the customers and services we serve.*
- *Ensuring the highest levels of fleet availability.*
- *Demonstrate that the fleet services team deliver best-value services.*
- *Ensure Fleet Services are always the best value choice for our customers.*
- *Maintain a safe and efficient vehicle fleet.*
- *Ensure the fleet reflects the environmental policies of the authority.*
- *Respond to the changing needs of current and future customers and the emergence of new, transformative technologies*."

Five workshops, involving officers and internal and external stakeholders, took place between March 2019 and September 2019 to undertake a value for money assessment, options appraisal and develop an improvement plan.

The work undertaken demonstrated that the service performs well for effectiveness and strategic value, but economy and efficiency could be improved. The review also identified that an improvement plan would further strengthen the success of the service, particularly in light of the Council's Corporate Environment Policy and Carbon Reduction Plan which were both approved by Cabinet on 21 November 2019 (Minute No. 187/19 refers). The Carbon Reduction Plan contains the following actions which specifically relate to County Transport:

- Electrifying the fleet of vehicles owned by the Council and de-carbonising Heavy Goods Vehicles
- Increasing the number of electric pool cars so that employees use these for business travel rather than their own cars

The Council aims to reduce greenhouse gas emissions from its own estate and operations to net zero by 2032. The core and grey fleet emitted 2,564tCO2e and 2,854tCO2e respectively in 2018-19, a quarter of the Council's total emissions in that year. By 2032 the aim is to reduce the emissions to a maximum of 1,487 tCO2e and 609 tCO2e respectively. This will represent 76% of all Council emissions which are currently measured recognising the difficulty of de-carbonising HGVs at this time.

The County Transport improvement plan identified the following strategic projects that could increase efficiency, reduce costs, bring in additional income for the Council and/or contribute to the Carbon Reduction Plan commitments.

Fleet Management Improvement Plan

1 Fleet Procurement Policy
To undertake a comprehensive review of the County fleet procurement policy to reduce the whole life cost of the fleet whether through outright purchase or leasing, establishing a procurement policy that can respond to changing needs of the customer and new technologies. This is well underway and the initial desk top exercise shows that outright purchase remains the most cost effective way of sourcing core fleet vehicles. Timescale – by 31 October 2020.

2 Grey Fleet Policy Review and Electric Pool Fleet
To undertake a comprehensive review of the grey fleet policy, considering the alternatives including the use of pool cars. This will reduce the cost of travel incurred by staff in performing their duties and take advantage of new technologies. An electric pool fleet was introduced in April 2020, with eight electric cars and three electric bikes based at County Hall, as the first step toward a much more ambitious programme of transferring grey fleet mileage to alternative low carbon technologies. The impact of Covid and new ways of working are currently being analysed to inform future policies and options for employee business travel. Grey fleet travel has reduced significantly during the Covid lockdown. Employees have got used to working in different ways, making good use of technology and reducing the need for travelling to meetings, site visits and meeting clients. While some grey fleet travel will continue to be required, the Council intends to build on the experience during Covid to explore how this mileage can continue to be avoided. Cenex, a not for profit company that specialises helping organisations meet their transport related climate change targets, has been commission to anaylsed the mileage data from April to June 2020 and undertake an employee survey to inform this work. Timescale – by 31 October 2020.

3 County Hire Car Policy/Centralised Booking System
To undertake a comprehensive review of the cost and nature of car hire usage, considering the types of vehicle hired, reason and frequency of journeys, with a view to introducing a centralised booking system. This will reduce the overall cost of hire car usage and make better use of the Council's own fleet where it is under utilised. Timescale – by 31 March 2021.

4 Professional/Added Value Services
Fleet Management Services currently provide many services free-of-charge, including fleet management advice, guidance, quality audits to

ensure vehicle compliance and driver training. Several customers have expressed an expectation that they should pay for such services. This review will develop the business case for introducing this policy. Timescale - by 31 October 2021.

5 Continued Standardisation of Fleet
Fleet Management Services has had success in introducing increased standardisation for fleet purchases, especially highways vehicles. This approach will be continued wherever possible for other service areas including property, countryside, adult and children's services. Low carbon alternatives will be sourced for the County's core fleet in line with the Carbon Reduction Plan, starting with Light Goods Vehicles from 2021 and Heavy Goods Vehicles from 2024.

6 Fleet Sponsorship
To fully explore the benefits (both financial and non-financial) of sponsorship of or advertising on County fleet. This is a longer term priority which will follow on and learn from the Council's exploration of sponsorship in other media, such as the Website and residents' magazine. Timescale – 31 October 2021.

Fleet Maintenance Improvement Plan

1 Service Financial Analytics
To undertake a review that identifies, captures and analyses the cost of the County Fleet Maintenance Service to identify the true profitability of both the overall function and individual services and external contracts, ensuring charges cover all costs, including overheads, for the services provided. This review has commenced and will be taken forward following the staffing review mentioned below. Timescale – 31 March 2021.

2 Customer Management
To review, update and enforce the agreed services provided, associated standards and working relationship between County Fleet Maintenance and its customers (both internal and external). The agreed changes will be reflected in revised Customer Service Level Agreements (SLAs). Timescale – 31 March 2021.

3 Service Resource Management
To explore options for ensuring the immediate and long-term recruitment and retention of skilled mechanics. Timescale – 31 March 2021.

4 Maximise the Capability Offered by County Transport's new Asset Management System - Fleetwave
The capability offered by the recently installed Fleetwave ICT System will be maximised to improve the efficiency and effectiveness of operations and realise the intended benefits. Timescale – 31 March 2021.

5 Introduction of a Mobile Assistance Service
To explore the demand, benefits, costs and delivery options of introducing a mobile assistance service to improve the efficiency and productivity of service operations by reducing some of the workload pressure within the workshops and improve customer satisfaction by offering an additional beneficial service. Timescale – 31 March 2021.

6 Re-introduction of a Collection and Delivery Service
To improve the efficiency of service operations by ensuring the prompt collection and delivery of vehicles back to the customer. Timescale – 31 March 2021.

7 Explore the introduction of card payments
To support walk-in jobs/MOTs from the public. Timescale – 31 October 2020.

Throughout the review, the process took into account the fact that the current Fleet Maintenance Contract with Derbyshire Constabulary would end in either 2022 or 2024, depending on whether an extension to the current contract was implemented. Delivering the improvement plan puts the Council in a good position to win this or other external work as and when the opportunity arises. It also ensures that internal services are not disadvantaged by the fact that County Transport provides services to external customers, for example, through developing consistent Service Level Agreements and reviewing the financial model.

The review also included gathering information from other local authorities in the Future Highways Research Club about how they manage and maintain their fleet. Eight authorities responded to a short questionnaire with the following conclusions:

- Fleet management is internally delivered by six out of the eight councils.
- Fleet maintenance is internally delivered by four councils, with the other four either outsourced or provided as part of a leasing arrangement.
- The questionnaire responses highlighted the difficulty of obtaining benchmarking or market comparison data to identify whether the service is value for money due to the variety of different approaches in other organisations; however, those that did explained that the procurement process (whether buying or leasing vehicles) ensured that they were getting best value for money when acquiring fleet. It would not be possible to compare fleet maintenance services without a soft market testing exercise as there is currently no comparable data available from other councils.
- Most of the councils that responded cited the exploration of low carbon options for their fleet as the next big challenge for their service.

An assessment of a number of delivery models was undertaken to identify which would provide the best outcome to deliver the strategic drivers. It involved assessing the value that each model would bring to help the service to deliver the strategic drivers to enable a recommendation to be made on the most appropriate future delivery model for the service. The full report from the review is attached at Appendix 1.

The options that were considered were as follows:

1. Do Nothing (+2 years)

The anticipated Service in two years' time with no or minimal change, investment or improvement.

2. Internal + External Top Up

The core Service continues to be provided internally and assumes the successful implementation of the improvement programme outlined in this report. External support is procured for specialist services and for additional capacity, as required.

3. Internal Service Structured for Trading

The Service following the successful implementation of the improvement programme outlined in this report; enabling the Management Team to create an efficient and effective financial and operational basis from which to expand the external business profitably.

4. Internal Service for Derbyshire County Council Only

The Service following the successful implementation of the improvement programme outlined in this report; enabling the Management Team to provide a demonstrable 'best-value' service that focuses only on internal customers.

5. Local Authority Trading Company

The Service operates as commercial company but typically will remain wholly owned and controlled by Derbyshire County Council. As a trading body, the Service will be in a position to provide its services to a wider market than the Council. There will also be greater flexibility regarding its employment contracts and choice of delivery partners (if required).

6. Outsourced (All)

The entire Service (both Fleet Management and Maintenance) is outsourced to an external provider(s).

7. Outsourced (Fleet Management)

The Fleet Management function is outsourced to an external provider(s). Although the fleet maintenance function would be retained internally, much of the warranty related repairs would become the responsibility of the vehicle provider.

8. Outsourced (Fleet Maintenance)

The Fleet Maintenance function is outsourced to an external provider(s). Responsibility for the purchase or lease of vehicles would still lie within the County.

9. Agile Partnering

The Service is provided with a formal partner (sharing risks and rewards). Such an approach may provide additional skills, capacity and innovation, for example, electric vehicle cars and infrastructure.

Table 4 on page 22 of the Appendix shows the scoring from the Stage 1 high - level evaluation of each delivery option against the strategic drivers. The top four options were as follows:

- Internal + Structured for Trading (87)
- Internal Service for Derbyshire County Council Only (87)
- Internal + External Top-Up (79)
- Agile Partnering (79)

Stage 2 involved a high-level assessment of the relative attractiveness and achievability of each of the four highest scoring delivery options, plus the “Do Nothing” option for comparison. For each of the factors, an assessment was undertaken on whether the delivery option would improve, reduce or have no impact on current performance (attractiveness) and the level of achievability.

The highest scoring option was Internal + External Top Up. This option assumes that the core service continues to be provided internally following the successful implementation of the improvement programme as outlined in this report. External support is procured for specialist services and for additional capacity, as required. This option does not prohibit the expansion of the service, both internally and externally, but ensures the priority is to provide and maintain a cost-effective and efficient service for existing customers, both Derbyshire County Council and external. Such an approach reduces risk and the cost of set-up and management of a new delivery model. The intelligent use of external support or partners (Agile Partnering) will allow the service to respond quickly to changes or opportunities in customer demand and emerging innovations within the market. Agile partnering was discounted as a standalone option due to the complexity and risk but considered to be viable as part of the Internal + External Top Up model to introduce innovation and potentially share costs and risks with a private sector partner in the future.

This will be explored further, particularly in relation to fast moving technological and low emission vehicle developments in the motor industry.

A service structured and focused for Trading (either internally or as a Teckal) may detract from the quality of service provided to existing customers. The review failed to identify the scale of opportunities for revenue growth that would justify the necessary investment (both financial and resource) in the set-up and on-going management of a fully trading service.

Although a fully outsourced service may deliver economic benefits through a possible reduction in the overall cost of the service, it was agreed that the overall quality of service provided to the Council was likely to be reduced. An outsourced service would be unlikely to provide the current level of customer service, choice and flexibility. The cost and effort required to define, award and manage an outsourced contract would also be significant.

It was agreed that Do Nothing, i.e. the failure to implement the improvement programme, as described in this report, would have a significant adverse impact on the efficiency and quality of service provided. There would be an increased risk of losing new and retained business, from both Derbyshire County Council and external customers.

(3) **Financial Considerations** The improvement plan proposed as part of this report includes a review of the financial model for the service and a range of efficiency improvements. The proposed delivery model will enable the service to continue to trade externally, where it is financially and operationally desirable, bringing in income to the Council. The improvement plan will be delivered within existing resources.

(4) **Legal Considerations** The Director of Legal Services will advise in relation to the proposed operating model and improvement plan.

(5) **Human Resources Considerations** A review of the structure has commenced and the new structure will be developed to deliver services within the Internal + External Top Up model if approved by Cabinet. The changes proposed to the structure are likely to be fairly minor and this will, therefore, be subject to a report to the Director in accordance with the Council’s constitution. The new structure will identify key officer resources to take the improvement plan forward and will be in place by 31 March 2021.

Other Considerations

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity, environmental, health, property, social value and transport considerations.

(6) **Key Decision** No.

(7) **Call-In** Is it required that call in be waived in respect of the decisions proposed in the report? No.

(8) **Background Papers** Held on file within the Economy, Transport and Environment Department.

(9) **OFFICER'S RECOMMENDATIONS** That:

8.1 The outcomes of the Enterprising Council review for County Transport fleet services be noted.

8.2 Cabinet approves the proposal to adopt the Internal + External Top Up model for delivery of the service.

8.3 Cabinet notes that an improvement programme is underway to reduce the overall financial and environmental cost of vehicles which includes a review of the financial model; review of the procurement policy around buying or leasing vehicles; review of grey fleet usage and introduction of a low emission pool vehicle fleet; introduction of a centralised vehicle hire booking system; consideration of charging for additional services currently provided free of charge; continued standardisation of vehicle fleet; and other efficiency improvements.

Tim Gregory
Director – Economy, Transport and Environment

Document	**Derbyshire County Transport Fleet Services 2019 VfM Assessment & Improvement Programme**
Client	Derbyshire County Council
Date	October 2019
Author	Karen Farquharson, Proving
Revision	3-2 (Final)
Restrictions	**Commercial Confidential**

Derbyshire County Council

County Transport Fleet Services

2019 Value for Money Review

&

Improvement Programme

Contents

Introduction

This document provides a summary of the Value for Money (VfM) assessments completed in April 2019 for Derbyshire County Transport Fleet Services (DCTFS), together with a schedule of the service improvement opportunities identified and agreed during the review. Building on the conclusions of the VfM assessment and taking into consideration the strategic objectives of the service, an initial evaluation of future delivery options has also been completed and documented.

Two service areas were reviewed:

1. **County Transport Fleet Management** – The service is responsible for providing cost-effective solutions and advice regarding the purchase, lease or hire of the Derbyshire County Core Fleet, circa 700 assets, including;
   - gritters
   - mobile libraries
   - lorries
   - street lighting platforms
   - vans
   - minibuses
   - 4x4 vehicles
   - trailers
   - plant
   - pool cars

2. **County Transport Fleet Maintenance** -The service is responsible for the maintenance and repair of the Derbyshire County Core Fleet and also for a number of external customers. the largest contract is for Derbyshire Constabulary Fleet; which was won through competitive tender.

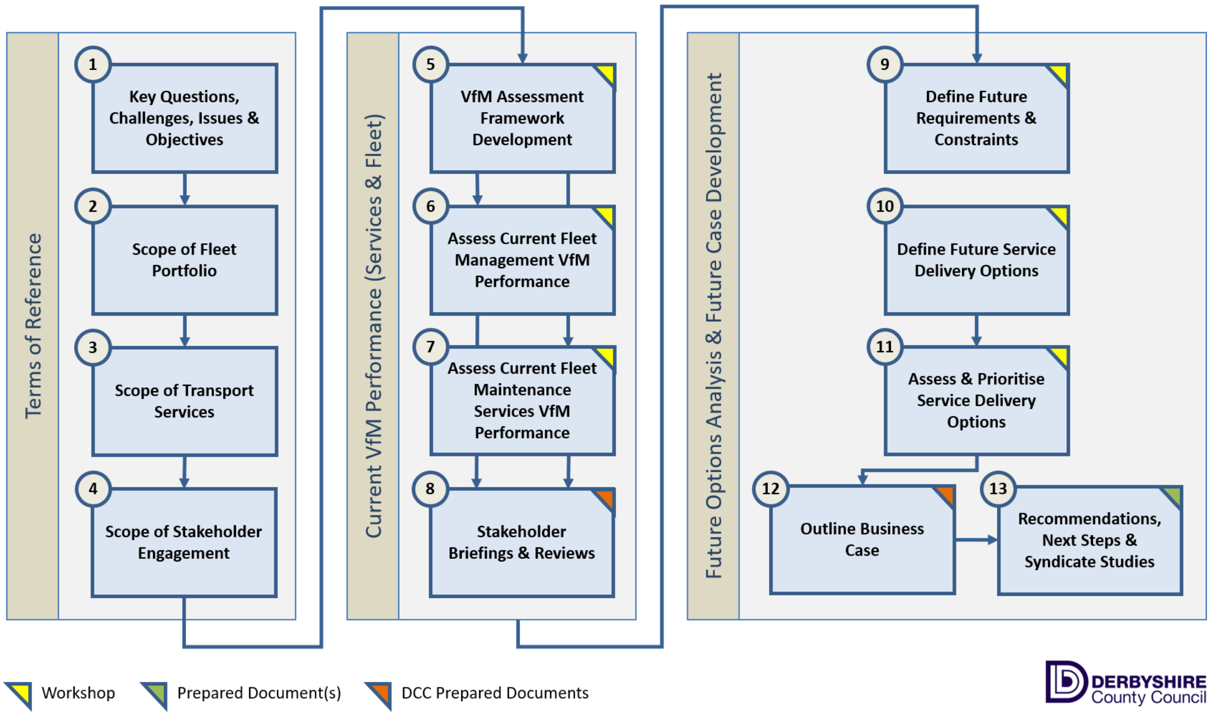
Objectives of Review

The objectives of the review will be to establish a complete and balanced analysis and assessment of:

1. Current service VfM performance.
2. The operational improvement opportunities available within the current service.
3. The transformative improvement options for future service operations and delivery.

The route-map shown in Figure 1 describes the process adopted to complete the review:

Figure 1: Derbyshire County Transport Fleet Review - Process Map



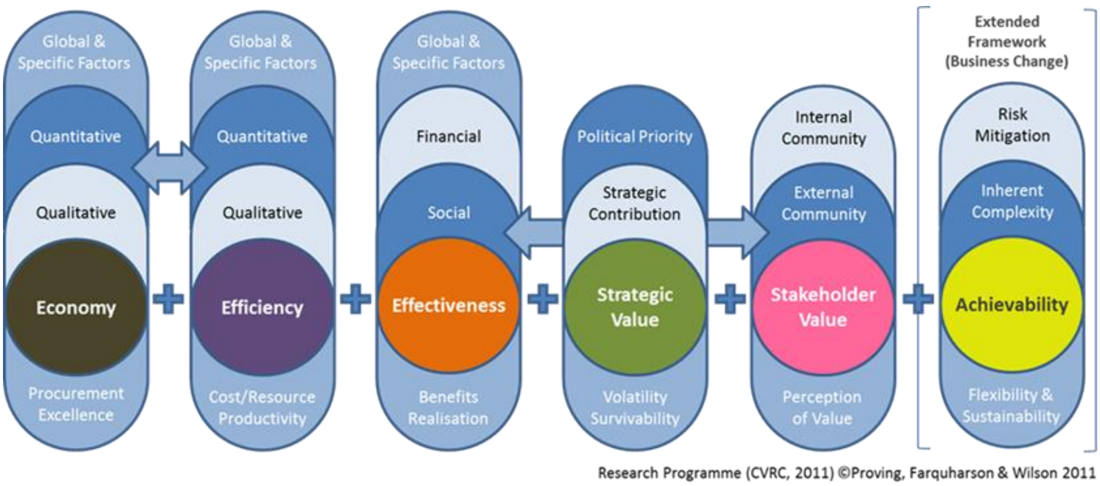
The assessment was completed through a series of workshops involving representatives from management, delivery and the customer base of DCTFS. (*Refer Appendix B for list of participants*).

County Transport Fleet Services Review

VfM Assessment Process

The Proving VfM framework as shown in Figure 2 was used as the basis for the current performance assessment.

Figure 2: Proving Value for Money Framework



For each VfM Dimension shown in Figure 2, a series of factors were identified and weighted to reflect the priorities and challenges of the two services. *Refer Appendix A for a list of all the factors and associated weightings.*

Table 1 shows the Strategic Drivers that it was agreed reflected the current and future priorities of the service.

Table 1: County Transport Fleet Services - Strategic Drivers

	Strategic Driver Description	Weighting (/100)
1.	**Pursue revenue generation and cost recovery options to ensure that the service delivers an operational surplus.**	100
2.	**Create a fit-for-purpose fleet for the customers and services we serve.**	100
3.	**Ensuring the highest levels of fleet availability.**	80
4.	**Demonstrate that the fleet services team deliver best-value services.**	100
5.	**Ensure Fleet Services are always the best value choice for our customers.**	80
6.	**Maintain a safe and efficient vehicle fleet.**	100
7.	**Ensure the fleet reflects the environmental policies of the authority.**	80
8.	**Respond to the changing needs of current and future customers and the emergence of new, transformative technologies.**	80

At the scoring workshops, each VfM factor was discussed in turn and a performance score agreed. Any differences, comments and explanations associated with each score were captured and recorded as comments in the ***Value Analyser*** (Excel) Workbook.

A confidence score was applied to each performance score. Factor performance was based on the views and explanations of workshop participants. No external evidence and supporting documentation were sought, therefore the highest confidence level applied was Medium-High.

For each factor, participants were asked to identify and consider any opportunities for improvement.

The complete 2019 VfM Baseline Assessments are provided in Appendix A.

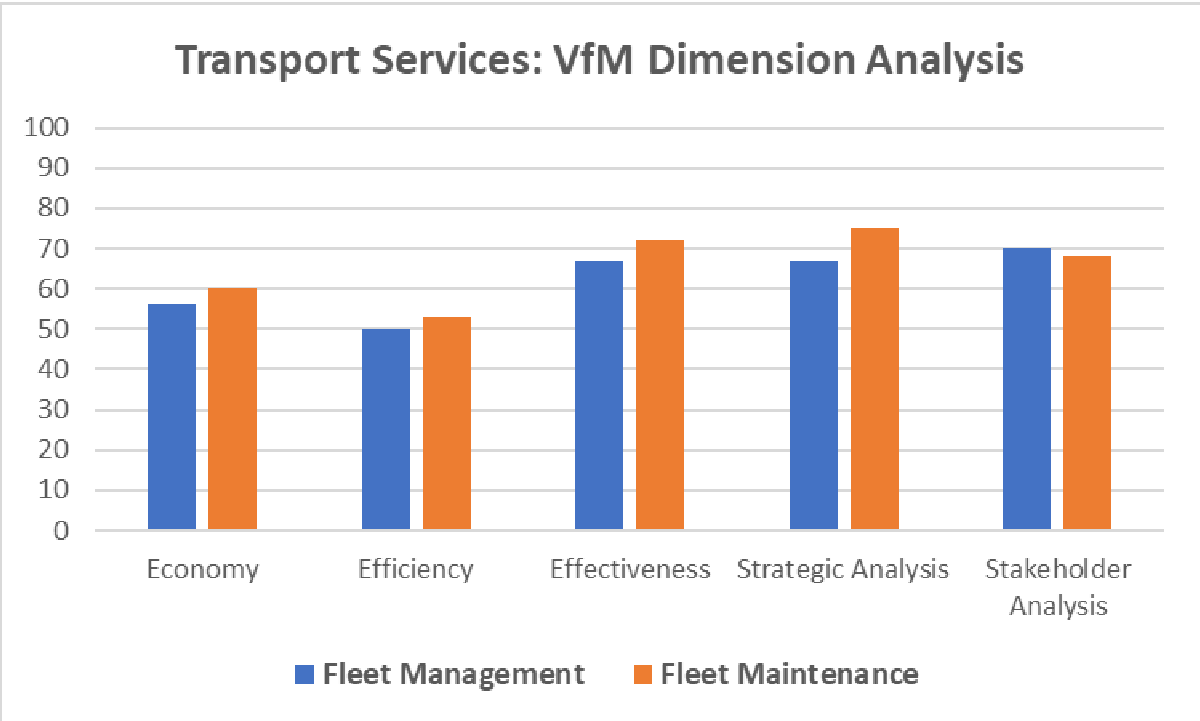
Summary of VfM Assessment

Figures 3 provide a summary of the assessed 2019 VfM plotted positions *(**Economy & Efficiency** vs. **Effectiveness & Strategic Value**)*.

Figure 3: VfM Baseline Performance Assessment

Figure 5 shows the performance scores for each VfM Dimension.

Figure 4: VfM Dimension Summary (Performance Score Only)



Overall, both services demonstrated good VfM performance. In terms of outcomes, the quality of service provided and contribution to the stated DCTFS Strategic Drivers (Table 1) was assessed as high. This was supported by evidence of good levels of customer satisfaction as expressed by customer representatives attending the workshops[1]. For both services however, the key area of weakness is the efficiency of operations. Both services try to balance a demand-responsive and customer specific service with lean operational teams and a poor understanding of the transactional costs and margins associated with the respective services.

Fleet Management

Currently, the majority of vehicles are purchased, have a long asset use and therefore typically a low disposal value. Historically, many of the vehicles have had a tailored configuration which further impacts on residual value and the future cost of maintenance. It was agreed that the policy for fleet procurement and disposal should be reviewed with a view to identifying future fleet cost savings and potentially efficiency improvements for fleet maintenance.

The service is implementing a policy of increased standardisation of vehicle type. This has been achieved for Highways Services with Property, Countryside, Adult and Children's Services in progress.

Fleet Management Services currently provide many services free-of-charge, including fleet management advice, guidance and audit services. Several customers have expressed an expectation that they should pay for such services which strongly indicates there is financial opportunity which should be further explored.

During the review, the subject of County Hire Car and Grey Fleet policy was raised and discussed. Although not directly impacting on the assessed VfM performance of Fleet Management, this review provides an opportunity to review current policy and explore opportunities for VfM improvement, particularly cost savings for the authority.

Fleet Maintenance

The high level of customer service and general responsiveness provided by a lean team creates operational challenges. Offering an agile, demand responsive service usually requires a well-resourced team with some spare capacity. Achieving the stated strategic objectives (refer Table 1) of '*Ensuring the highest levels of fleet availability*' and '*Creating a fit-for-purpose fleet for the customers and services we serve*' can create inherent inefficiencies unless carefully managed. Although always busy, it was stated that staff are not always focused on the most important and/or productive tasks.

Further, the service is currently trying to recruit a number of skilled mechanics. Due to a combination of factors including rates of pay and the offer of only a temporary contract, attracting

[1] Overall Customer Satisfaction was derived from the representatives from customer groups who attended the workshops and comments from other workshops participants. As required, a more detailed analysis can be undertaken by surveying directly, a larger sample of customers. This should be considered as part of the improvement programme.

the right calibre of staff is proving difficult and adding considerably to the operational challenges faced by the service[2].

It was agreed that the service had an insufficient understanding as to the actual cost of each transactional service. This is required to calculate an accurate hourly recharge which would also recover the true cost of overheads. Further, the operational margin of each customer type (e.g. Derbyshire Constabulary) is not fully known. This analysis will be critical if the opportunity to sell additional services (or to retain current contracts), with an operating surplus, is to be realised.

A new Fleet Management System (Fleetwave) has been recently introduced with the aim of improving the efficiency and cost-effectiveness of maintenance operations. To date, there have been many implementation issues which continue to add to the burden of staff. These problems appear to be reaching a critical level and need to be resolved soon.

[2] At the workshop at 10 August 2019 it was stated that a number of agency staff had been recruited which has eased the immediate staff shortage. However, the retention of staff is still an on-going operational challenge.

Improvement Opportunities & Agreed Actions

Fleet Management Prioritised Improvements

Table 2 shows the prioritised list of improvement opportunities for Fleet Management identified during the review[3].

Table 2: DC Fleet Management Prioritised Improvement Opportunities

ID	Dimension	Factor Name	Weighting	Score (Text)	Score	Confidence	Opportunity (Text)	Opportunity	Priority
101	Economy	Procurement Excellence & Cost of Fleet Acquisition	100	Good [75]	75	50	Definitely [100]	100	15.6
400	Strategic Value	Pursue revenue generation and cost recovery options to ensure that the service delivers	100	Satisfactory [50]	50	75	Definitely [100]	100	15.6
107	Economy	Transactional Costs (Cost Analysis, Justification & Cost Stability)	100	Requires Improvement [25]	25	75	Probably [75]	75	15.2
123	Economy	Fleet Management Advice / Fleet Management Services	100	Requires Improvement [25]	25	75	Probably [75]	75	15.2
202	Efficiency	Vehicle Hire	100	Requires Improvement [25]	25	75	Probably [75]	75	15.2
210	Efficiency	Fleet Utilisation	80	Requires Improvement [25]	25	75	Probably [75]	75	12.2
208	Efficiency	Fleet Standardisation	100	Satisfactory [50]	50	75	Probably [75]	75	11.7
304	Effectiveness	Resilience of Fleet	100	Satisfactory [50]	50	75	Probably [75]	75	11.7
211	Efficiency	Fleet Optimisation	100	Requires Improvement [25]	25	75	Possibly [50]	50	10.2
127	Economy	Fleet Sponsorship	60	Requires Improvement [25]	25	50	Probably [75]	75	9.8
216	Efficiency	Information Analysis & Reporting Management	80	Satisfactory [50]	50	75	Probably [75]	75	9.4
404	Strategic Value	Ensure Fleet Services are always the best value choice for potential customers.	80	Satisfactory [50]	50	75	Probably [75]	75	9.4
406	Strategic Value	Ensure the fleet reflects the environmental policies of the authority.	80	Satisfactory [50]	50	75	Probably [75]	75	9.4
111	Economy	Contract Cost Management (Client Side)	100	Good [75]	75	75	Probably [75]	75	8.2
302	Effectiveness	Scope of Fleet	100	Good [75]	75	75	Probably [75]	75	8.2
303	Effectiveness	Scale of Fleet	100	Good [75]	75	75	Probably [75]	75	8.2
403	Strategic Value	Demonstrate that the fleet services team deliver best-value services.	100	Good [75]	75	75	Probably [75]	75	8.2
102	Economy	Cost of Retired Fleet Decommissioning / Disposal	100	Satisfactory [50]	50	75	Possibly [50]	50	7.8
218	Efficiency	Efficiency Improvement Plan	60	Satisfactory [50]	50	75	Probably [75]	75	7.0
316	Effectiveness	Environmental Benefits	60	Satisfactory [50]	50	75	Probably [75]	75	7.0
125	Economy	Retired Fleet Renewal / Disposal (Used Fleet Sales)	80	Satisfactory [50]	50	75	Possibly [50]	50	6.3
206	Efficiency	Other Resource (Productivity)	80	Satisfactory [50]	50	75	Possibly [50]	50	6.3
407	Strategic Value	Respond to the changing needs of current and future customers and the emergence of	80	Satisfactory [50]	50	75	Possibly [50]	50	6.3
124	Economy	Fleet Compliance Monitoring & Advisory Services	40	Requires Improvement [25]	25	75	Probably [75]	75	6.1
126	Economy	Grant Winning (Green Conversion)	60	Requires Improvement [25]	25	75	Possibly [50]	50	6.1
317	Effectiveness	Services Development / Innovation	50	Satisfactory [50]	50	75	Probably [75]	75	5.9

[3] The factors are ordered in terms of Weighting (High), Performance Score (Low) and Opportunity (Definitely).

Fleet Management Agreed Actions

<table>
<tr><th colspan="3">1. Fleet Procurement Policy</th></tr>
<tr><th colspan="3">Description</th></tr>
<tr><td colspan="3">To undertake a comprehensive review of the County Fleet procurement policy.</td></tr>
<tr><th colspan="3">Objectives</th></tr>
<tr><td colspan="3">1. To reduce the whole life cost (WLC) of the fleet.
2. To ensure the most cost-effective solution is acquired, balancing cost with a fit-for-purpose fleet.
3. To demonstrate to customers that the service provides ‘Best Value’.
4. To establish a procurement policy that can respond to the changing needs of the customer and take prompt advantage of any new technologies.</td></tr>
<tr><th>Action</th><th>Owner</th><th>Timescales</th></tr>
<tr><td>1. To undertake an analysis and comparison of the respective whole life cost of purchasing vs. leasing fleet vehicles, including;
a. Purchase Cost (New & Second-Hand)
b. Configurations Cost
c. Deposit (Lease)
d. Maintenance Costs
e. Insurance
f. Residual Value
g. Cost of Disposal</td><td>Pam Taylor / Brian Hattersley</td><td>End of March 2020</td></tr>
<tr><td colspan="3">1. Update (Sept 2019): A soft test has been completed and indicates that the purchase of vehicles is cheaper due to low interest rates.</td></tr>
<tr><td>2. Review the Resale/Disposal Policy, including
a. Length of Ownership vs. Residual Value
b. Alternative Uses
c. Ease and Cost of Disposal</td><td>Brian Hattersley (Finance TBA)</td><td>End of March 2020</td></tr>
</table>

<table>
<tr><th colspan="3">2. Grey Fleet Policy Review</th></tr>
<tr><th colspan="3">Description</th></tr>
<tr><td colspan="3">To undertake a comprehensive review of the Grey Fleet Policy, considering the alternatives including the use of Pool Cars.</td></tr>
<tr><th colspan="3">Objectives</th></tr>
<tr><td colspan="3">1. To reduce the cost of travel as incurred by DC staff in performing their duties. (Currently >£5M pa in mileage paid to staff).
2. To ensure the most cost-effective solution is adopted by staff, balancing cost with a fit-for-purpose solution that allows them to efficiently and effectively complete their duties.
3. To establish a policy that can respond to the changing needs of the customer and take prompt advantage of any new technologies e.g. Electric & Low Emission Vehicles, Associated Driver Training & SMART Technology.</td></tr>
<tr><th>Action</th><th>Owner</th><th>Timescales</th></tr>
<tr><td>1. To undertake an analysis of the current grey fleet policy and compare alternatives:
• Cost of Mileage Paid
• Pool Car – Whole Life Cost</td><td>Brian Hattersley / Angela Glithero /</td><td>TBC 2021
6 Month Reviews</td></tr>
</table>

• Nature of Journeys (reason, location, frequency) • Alignment to County Transport strategic drivers • Implications of New Technologies • Consider the Policies of other Authorities (e.g. Lincolnshire, Solihull)	**Richard Lovell**	
Update (Sept 2019): Members have shown considerable interest and support. DCC are introducing a pool of Electric Vehicles which will be extended if successful.		

3. County Hire Car Policy / Centralised Booking System		
Description		
To undertake a comprehensive review of the cost and nature of county staff hire car usage, considering the types of vehicle hired, reason and frequency of journey, with a view to introducing a Centralised Booking System. **The outcome of the Grey Fleet review (Action 2) will inform this action.**		
Objectives		
1. To reduce the overall cost of hire car usage (type, reason, & frequency of journey) 2. To ensure the most cost-effective solution is by used staff, balancing cost with an appropriate vehicle. 3. To ensure that all hire cars and associated journeys have the necessary insurance cover. 4. To explore the benefits, cost and operational impact of introducing a Centralised Booking System.		
Action	**Owner**	**Timescales**
1. To undertake a review of current hire car activity, considering: • Cost of Hire • Cost of Administration (across Council) • Type of Cars Hired • Frequency & Length of Hire • Reason for Journey • Risk / Insurance Cover	**Angela Glithero**	Dec 2019
2. To produce an outline Business Case for introducing a Centralised Booking System, considering • Benefits (incl. Financial & Operational) • Cost of Implementation & Operations (incl. Resource Requirements) • DCC Stakeholder Support • IT / IS Requirements • Integration of any future pool car proposals	**TBC after Action 1**	

4. Professional / Added-Value Services
Description
Fleet Management Services currently provide many services free-of-charge, including fleet management advice, guidance, audit services and driver training. Several customers have expressed an expectation that they should pay for such services. This review would develop the business case for introducing this policy.

<table>
<tr><th colspan="3">Objectives</th></tr>
<tr><td colspan="3">1. To maximise the revenue from providing added-value services, to both current and potential customers.
2. To enhance the reputation of Derbyshire County Fleet Management Services as an experienced, reliable and good value provider of professional advice and guidance.
3. To identify the most suitable delivery model for providing Professional Services.</td></tr>
<tr><th>Action</th><th>Owner</th><th>Timescales</th></tr>
<tr><td>1. To undertake a review of services provided (both current and potential), including the:
• Range of Services Offered
• Customer Analysis (Demand, Range, Existing Customer Support)
• Scale of Fees
• Market Analysis (Alternate Providers of similar Services)</td><td>Brian Hattersley</td><td>Build into financial analysis</td></tr>
<tr><td>2. Based on the conclusions of Action 1, to explore the most appropriate delivery model.</td><td></td><td></td></tr>
</table>

<table>
<tr><th colspan="3">5. Continued Standardisation of Fleet</th></tr>
<tr><th colspan="3">Description</th></tr>
<tr><td colspan="3">Fleet Management Services have had success in introducing increased standardisation for fleet purchases, specifically highways vehicles. This approach will be continued wherever possible, into other service areas including property, countryside, adult and children’s services.</td></tr>
<tr><th>Objectives</th><th></th><th></th></tr>
<tr><td colspan="3">1. To reduce the whole life cost of the County Fleet, including acquisition, maintenance, insurance and residual value.</td></tr>
<tr><th>Action</th><th>Owner</th><th>Timescales</th></tr>
<tr><td>1. To actively continue with current policy and encourage all services to standardise their vehicle purchases, as appropriate.</td><td>Brian Hattersley</td><td></td></tr>
</table>

<table>
<tr><th colspan="3">6. Fleet Sponsorship (Communications and Messaging)</th></tr>
<tr><th colspan="3">Description</th></tr>
<tr><td colspan="3">To fully explore the benefits (both financial and non-financial) of fleet sponsorship. This includes three options.
1. External Sponsorship of County Fleet (may be service/vehicle specific)
2. External Advertising on County Fleet
3. County Messaging / Promotion (use of county fleet to communicate core values, policies and/or successes of authority).</td></tr>
<tr><th>Objectives</th><th></th><th></th></tr>
<tr><td colspan="3">1. To generate additional revenue for the authority (External Sponsorship/Advertising).
2. To improve the reputation of the authority, by communicating the priorities, commitment and activities of the authority (Internal Sponsorship)</td></tr>
<tr><th>Action</th><th>Owner</th><th>Timescales</th></tr>
</table>

1. To explore the opportunities both externally and internally, considering; a. Suitable External Sponsors (aligned to values of the authority and as part of a council wide approach led by the Communications Team). b. Scale of Potential Revenues. c. Potential Risks (e.g. wrong sponsor and/or message). d. The successes and failures of the authorities who have adopted a similar approach.	**Angela Glithero**	December 2020

Fleet Maintenance Prioritised Improvements

Table 3 shows the prioritised list of improvement opportunities for Fleet Maintenance identified during the review[4].

Table 3: DC Fleet Maintenance Prioritised Improvements

ID	Dimension	Factor Name	Weighting	Score (Text)	Score	Confidence	Opportunity (Text)	Opportunity	Priority
106	Economy	Transactional Costs (Cost Analysis, Justification & Cost Stability)	100	Requires Improvement [25]	25	75	Definitely [100]	100	20.3
209	Efficiency	Service / Function Productivity & Throughput	100	Requires Improvement [25]	25	75	Definitely [100]	100	20.3
216	Efficiency	Information Analysis & Reporting Management	80	Requires Improvement [25]	25	75	Definitely [100]	100	16.3
126	Economy	MOT / Follow-On Maintenance (Body-Shop)	100	Satisfactory [50]	50	75	Definitely [100]	100	15.6
213	Efficiency	Stakeholder Management (Internal & External)	100	Satisfactory [50]	50	75	Definitely [100]	100	15.6
211	Efficiency	Service Optimisation	100		40	75	Probably [75]	75	13.1
215	Efficiency	IT / IS Management	80	Satisfactory [50]	50	75	Definitely [100]	100	12.5
115	Economy	Depots / Offices	100	Satisfactory [50]	50	75	Probably [75]	75	11.7
205	Efficiency	Productivity of Management	100	Satisfactory [50]	50	75	Probably [75]	75	11.7
206	Efficiency	Productivity of Staff	100	Satisfactory [50]	50	75	Probably [75]	75	11.7
212	Efficiency	Service Sustainability	100	Satisfactory [50]	50	75	Probably [75]	75	11.7
127	Economy	Fleet Services for other Authorities	100	Good [75]	75	75	Definitely [100]	100	10.9
128	Economy	EVI / Hydrogen Maintenance of Vehicles	60	Satisfactory [50]	50	75	Definitely [100]	100	9.4
207	Efficiency	Other Resource (Productivity)	60	Satisfactory [50]	50	75	Definitely [100]	100	9.4
407	Strategic Value	Ensure the fleet reflects the environmental policies of the authority.	80	Satisfactory [50]	50	75	Probably [75]	75	9.4
113	Economy	Materials & Consumables	100	Good [75]	75	75	Probably [75]	75	8.2
302	Effectiveness	Scope of Services	100	Good [75]	75	75	Probably [75]	75	8.2
400	Strategic Value	Pursue revenue generation and cost recovery options to ensure that the service delivers	100	Good [75]	75	75	Probably [75]	75	8.2
131	Economy	Delivery of Service Within Budget	100	Satisfactory [50]	50	75	Possibly [50]	50	7.8
317	Effectiveness	Services Development / Innovation	50	Requires Improvement [25]	25	75	Probably [75]	75	7.6
102	Economy	Overspill / Specialist Repair & Maintenance	60	Satisfactory [50]	50	75	Probably [75]	75	7.0
202	Efficiency	Overspill / Specialist Repair & Maintenance	60	Satisfactory [50]	50	75	Probably [75]	75	7.0
408	Strategic Value	Respond to the changing needs of current and future customers and the emergence of	80	Good [75]	75	75	Probably [75]	75	6.6
110	Economy	Subcontractors & contractor management	80	Satisfactory [50]	50	75	Possibly [50]	50	6.3
116	Economy	Disposal Costs	80	Satisfactory [50]	50	75	Possibly [50]	50	6.3
404	Strategic Value	Ensure Fleet Services are always the best value choice for our customers.	80	Good [75]	75	50	Possibly [50]	50	6.3

[4] The factors are ordered in terms of Weighting (High), Performance Score (Low) and Opportunity (High – Definitely).

Fleet Maintenance Agreed Actions

Using a SWOT analysis approach, a detailed assessment of the Fleet Maintenance service was completed. Each of the following operational functions was considered in turn, identifying the areas of weakness but focusing on the opportunities and actions required for service improvement.

- **00 Strategic Planning**
- **01 Customer Management**
- **02 Job Scheduling**
- **03 Booking In (Scheduled Jobs)**
- **04 Booking In (Walk-In Jobs)**
- **05 Vehicle / Job Triage**
- **06 Job Estimation**
- **07 Parts Management**
- **08 Resources Management (Job)**
- **09 Job Execution**
- **10 Vehicle Inspection / Job Completion**
- **11 Booking Out**
- **12 Billing & Payments**
- **13 Complaints & Returns**

From the analysis, the following action workstreams were agreed:

<table>
<tr><th colspan="3">1. Service Financial Analytics</th></tr>
<tr><td colspan="3">Description</td></tr>
<tr><td colspan="3">To undertake a review that identifies, captures and analyses the true cost of the County Fleet Maintenance Service</td></tr>
<tr><td colspan="3">Objectives</td></tr>
<tr><td colspan="3">1. To understand the actual cost of providing the Fleet Maintenance Service, including the cost of corporate overheads, so that:
• The true profitability of both the overall function and individual services is established.
• The true profitability of individual customer contracts is established.
• An accurate hourly recharge can be applied that covers all costs for the services provided.
• An accurate and complete financial analysis is produced that forms a strong basis for the negotiation of both current and future contracts and service.
2. To demonstrate to customers, the county council and delivery partners (both current and future) that the service is governed by effective financial management.
3. To provide a comprehensive and informed foundation from which explore future service and delivery options.</td></tr>
<tr><td>Action</td><td>Owner</td><td>Timescales</td></tr>
<tr><td>1. To undertake a detailed financial analysis of the overall function including;
a. Individual Services
• Labour / Parts / Equipment
b. Individual Customer Contracts</td><td>Catherine McDonnell / Richard Bright</td><td>Commencing August 2019</td></tr>
</table>

• Current Terms /Profitability c. Management Charges d. Corporate Overhead Charges		

2. Customer Management		
Description		
To review, update and enforce the agreed services provided, associated standards and working relationship between County Fleet Maintenance and its customers (both internal and external). The agreed changes will be reflected in revised Customer Service Level Agreements (SLA's). **This review will be informed by the Financial Analysis completed in Action 1.**		
Objectives		
1. To improve the efficiency and effectiveness of the fleet maintenance service, through: • Improved Job Scheduling • Reduced Walk-In Jobs • Prompt Job Completion and Collection of Vehicles 2. To improve the productivity of customers, by reducing the length of time vehicles are out-of-service. This may result in a financial saving where hire cars are used. 3. To improve customer satisfaction in the quality and reliability of the services provided.		
Action	**Owner**	**Timescales**
1. To capture and document current performance levels and areas of performance shortfall, including; • Job Scheduling • Job Completion & Timely Collection • Excessive Flexibility & Responsiveness of Service (Walk-In Jobs) • Individual Service Staff Performance • Customer Behaviour / Expectations • Financial Profitability of each Service & Customer (informed by Financial Analysis (Action 1)) 2. Define new/ revised standards of working. 3. Discuss and agree revised standards of working with customers. 4. Produce, commit and adhere to updated SLA's	**Richard Bright**	TBC
5. Based on the outcomes of Action 1, to define and agree a revised service and charging policy. This may include a review of the current customer base and its attractiveness moving forward.	**Brian Hattersley/ Richard Bright**	TBC

3. Service Resource Management
Description
To explore options for ensuring the immediate and long-term recruitment and retention of skilled mechanics.
Objectives

1. To ensure operations are delivered and maintained to a standard that meets customer expectations. 2. To ensure the right calibre of staff is retained and recruited, such that the future ambitions of the service can be realised.		
Action	**Owner**	**Timescales**
1. Continue to explore options for the immediate recruitment of skilled staff (agencies). 2. Review current recruitment procedures and terms of employment. Consider any changes that may be required and any authority constraints that impact on successful recruitment. Explore the extent to which they can be varied or relaxed. 3. Consider alternative delivery structures that may allow a more attractive package to be offered.	**Angela Glithero**	Dec 2019

4. Maximise the Capability Offered by Fleetwave		
Description		
The capability offered by the Fleetwave System should be maximised. However, there are currently significant operational issues with the system that adds to the workload burden of staff. These need to be addressed urgently to restore confidence such that the functionality provided by the software can be fully utilised (e.g. Customer Bookings, Communications)		
Objectives		
1. To maintain and then improve the efficiency and effectiveness of operations. 2. To demonstrate the financial investment will realise the intended benefits. 3. To build staff morale.		
Action	**Owner**	**Timescales**
1. Resolve critical operational issues with system. 2. Consider additional functionality offered: • Additional training and support requirements. • Testing & implementation procedures.	**Brian Hattersley /Richard Bright/Karin Davies (BSO)**	**On0going**

5. Introduction of a Mobile Assistance Service		
Description		
To explore the demand, benefits, costs and delivery options of introducing a mobile assistance service.		
Objectives		
1. To improve the efficiency and productivity of service operations by reducing some of the workload pressure within the workshops. 2. To improve customer satisfaction by offering an additional beneficial service.		
Action	**Owner**	**Timescales**
1. To develop an outline business case for the introduction of a mobile service, including; • Scale of Demand • Range of Services Provided • Skills Required	**Richard Bright**	April 2020

• Cost of Implementation & Operations • Delivery Options (Internal, External Contract, Partner)		

6. Re-Introduction of a Collection & Delivery Service		
Description		
To consider the re-introduction and promotion of a collection and delivery service.		
Objectives		
1. To improve the efficiency of service operations by ensuring the prompt collection and delivery of vehicles back to the customer. 2. To improve customer satisfaction by offering an additional beneficial service.		
Action	**Owner**	**Timescales**
1. To develop an outline business case for the introduction of a collection and delivery services including; • Scale of Demand • Resource Required (number, level) • Other Operational Costs • Logistics • Delivery Options (Internal, External Contract)	**Richard Bright**	Following outturn of 2. Customer Management above

7. Introduce card payments to support walk-in jobs/ MOT's from public.		
Description		
To introduce card payment facilities at all workshop to support walk-in jobs, MOT's and servicing for the general public.		
Objectives		
1. To improve cash flow by ensuring prompt payment. 2. To improve the efficiency of the workshops by reducing the time taken to collect payment. 3. To improve customer satisfaction.		
Action	**Owner**	**Timescales**
1. Set up the necessary account and payment facilities.	**Richard Bright**	**December 2019**

Future Service Delivery Options

The scope of the review also considers how the future service may be structured and delivered in order to meet the current operational challenges but also the aspiration of the service moving forward.

A series of initial delivery options were identified for DCTFS.

Initial Options Considered

1. **Do Nothing (+2years)**
   The anticipated Service in two years' time with no or minimal change, investment or improvement.

2. **Internal + External Top Up**
   The core Service continues to be provided internally and assumes the successful implementation of the improvement programme outlined in this report. External support is procured for specialist services and for additional capacity, as required.

3. **Internal Service Structured for Trading**
   The Service following the successful implementation of the improvement programme outlined in this report; enabling the management team to create an efficient and effective financial and operational basis from which to expand the external business profitably.

4. **Internal Service for DCC Only**
   The Service following the successful implementation of the improvement programme outlined in this report; enabling the management team to provide a demonstrable 'best-value' service that focuses only on internal customers.

5. **Local Authority Trading Company**
   The Service operates as commercial company but typically will remain wholly owned and controlled by Derbyshire County Council. As a trading body, the Service will be in a position to provide its services to a wider market than the council. There will also be greater flexibility regarding its employment contracts and choice of delivery partners (if required).

6. **Outsourced (All)**
   The entire Service (both Fleet Management & Maintenance) is outsourced to an external provider(s).

7. **Outsourced (Fleet Management)**
   The Fleet Management function is outsourced to an external provider(s). Although the fleet maintenance function would be retained internally, much of the warranty related repairs would become the responsibility of the vehicle provider.

8. **Outsourced (Fleet Maintenance)**
   The Fleet Maintenance function is outsourced to an external provider(s). Responsibility for the purchase or lease of vehicles would still lie within the County.

9. **Agile Partnering**

The service is provided with a formal partner (sharing risks and rewards). Such an approach may provide additional skills, capacity and innovation, for example electric vehicle cars and infrastructure.

Assessment Criteria

Stage 1 was a high-level evaluation of each delivery option against the stated DCTFS strategic drivers (refer Table 1). For each strategic driver, participants were asked to consider whether the respective option was more, less or no more likely to contribute to achieving the respective driver than the current in-house delivery model. Table 4 provides a summary of the strategic analysis assessment.

Strategic Analysis: Delivery Option Ranking

1= Internal + Structured for Trading (87)
1= Internal Service for DCC Only (87)
2= Internal + External Top-Up (79)
2= Agile Partnering (79)
3. Arms-Length Trading Company (62)
4. Outsource Fleet Maintenance Only (55)
5. Outsource Fleet Management Only (50)
6. Outsource All (44)
7. Do Nothing (41)

Stage 2 involved a high-level assessment of the relative Attractiveness & Achievability of each delivery option. For each of the following factors, participants were asked to consider whether the delivery option would improve, reduce or have no impact on current performance (Attractiveness) and the level of Achievability[5].

Attractiveness

1. **Economy**
   - Cost of Services
   - Income Generation
2. **Efficiency**
   - Efficiency of Services (Productivity & Throughput)
   - Resilience of Services
3. **Effectiveness**
   - Services Quality
   - Services Agility / Response to Customer Demands
4. **Strategic Value**
   - Alignment & Contribution to Strategic Goals & Drivers **(taken from Stage1)**
5. **Stakeholder Value**
   - Internal Accountability, Control & Satisfaction
   - External Satisfaction

[5] As this was a high-level, indicative analysis, no external or documentary evidence was sought at this stage.

Achievability

1. **Complexity (Inherent Risk)**
    - Using standard measures of option risk: scale, novelty, diversity, interdependencies and volatility.
2. **Capability & Capacity**
    - Do we have the skills and resources to implement the option?
3. **Affordability**
    - Is the option affordable; both implementation and future operations.
4. **Authority Readiness**
    - Is this an option the authority is able to pursue?
5. **Provider Readiness**
    - Is this an option that the private sector / partners are willing to consider?
6. **Sector Success Stories**
    - Is there evidence of success within the sector? Are the case studies auditable?
7. **Governance & Reporting**
    - How difficult is the option to direct, manage and evaluate, once operational?
8. **Partner Management**
    - Are partner and client goals sufficiently aligned to assume that partners can be effectively managed?
9. **Cultural Alignment**
    - Is the option consistent will the political doctrines and strategic principles of the authority?

Table 5 provides a summary of the Attractiveness & Achievability assessment.

Table 4: Future Service Delivery Options – Strategic Analysis

Option Family	#	Option Name	Strategic Drivers: Pursue revenue generation and cost recovery options to ensure that the service	Create a fit-for-purpose fleet for the customers and services we serve.	Ensuring the highest levels of fleet availability.	Demonstrate that the fleet services team deliver best-value services.	Ensure Fleet Services are always the best value choice for our customers.	Maintain a safe and efficient vehicle fleet.	Ensure the fleet reflects the environmental policies of the authority.	Respond to the changing needs of current and future customers and the	Average
Continuity	1	Do Nothing (in 2 years)	33	66	33	33	33	66	33	33	41
Internalised	2	Internal + External Top Up	66	66	100	66	66	100	66	100	79
	3	Internal Service Structured for Trading	100	66	66	100	100	100	100	66	87
	4	Internal Service for DCC Only	66	100	100	100	66	100	100	66	87
Teckal	5	Arms-Length Company (LATC)	100	33	33	66	66	66	33	100	62
Externalised	6	Outsource All	66	33	33			33	66	33	44
	7	Outsource Fleet Management Only	66	33	33			66	66	33	50
	8	Outsource Fleet Maintenance Only	100	33	33			33	66	66	55
	9	Agile Partnering	66	66	66	100	100	66	66	100	79

Key: Anticipated Performance	
	Not Applicable (In This Context)
0	Critical Issue / Barrier to Implementation
33	Poorer Than Current Performance
66	Unknown or Parity (At Best) Performance
100	Better Than Current Performance

Table 5: Future Service Delivery Options - Attractiveness & Achievability Assessment

Refresh Data

Option Family	#	Option Name	Strategic Performance	Attractiveness Analysis (VfM): Economy	Efficiency	Effectiveness	Strategic Value	Stakeholder Value	Total	Weight-Adjusted Score	Achievability Analysis: Complexity (Inherent Risk)	Capability & Capacity	Affordability	Authority Readiness	Provider Readiness	Sector Success Stories	Governance & Reporting	Partner Management	Cultural Alignment	Total	Weight-Adjusted Score
Continuity	1	Do Nothing (in 2 years)	41.3	33	33	33	33	33	33	33	100	66	100	33		33	100		33	66	52
Internalised	2	Internal + External Top Up	78.8	100	100	100	100	100	100	100	66	66	66	66	66	100	66		100	75	66
	3	Internal Service Structured for Trading	87.3	100	100	66	100	66	86	86	33	33	66	66	66	33	33		66	50	44
Teckal	4	Internal Service for DCC Only	87.3	33	33	33	66	66	46	46	33	33	66	66	66	33	100		33	54	48
Externalised	5	Arms-Length Company (LATC)	62.1	33	66	66	66	66	59	59	33	33	33	33	66	33	33		66	41	37
	6	Outsource All	44.0	66	33	33	33	33	40	40	33	33	33	33		66	66		66	47	37
	9	Agile Partnering	78.8						0	0										0	0
			Factor Importance	100	100	100	100	100			100	100	100	100	100	100	100	100	100		
			Factor Score	61	61	55	66	61	23	23	50	44	61	50	66	50	66	0	61	21	18

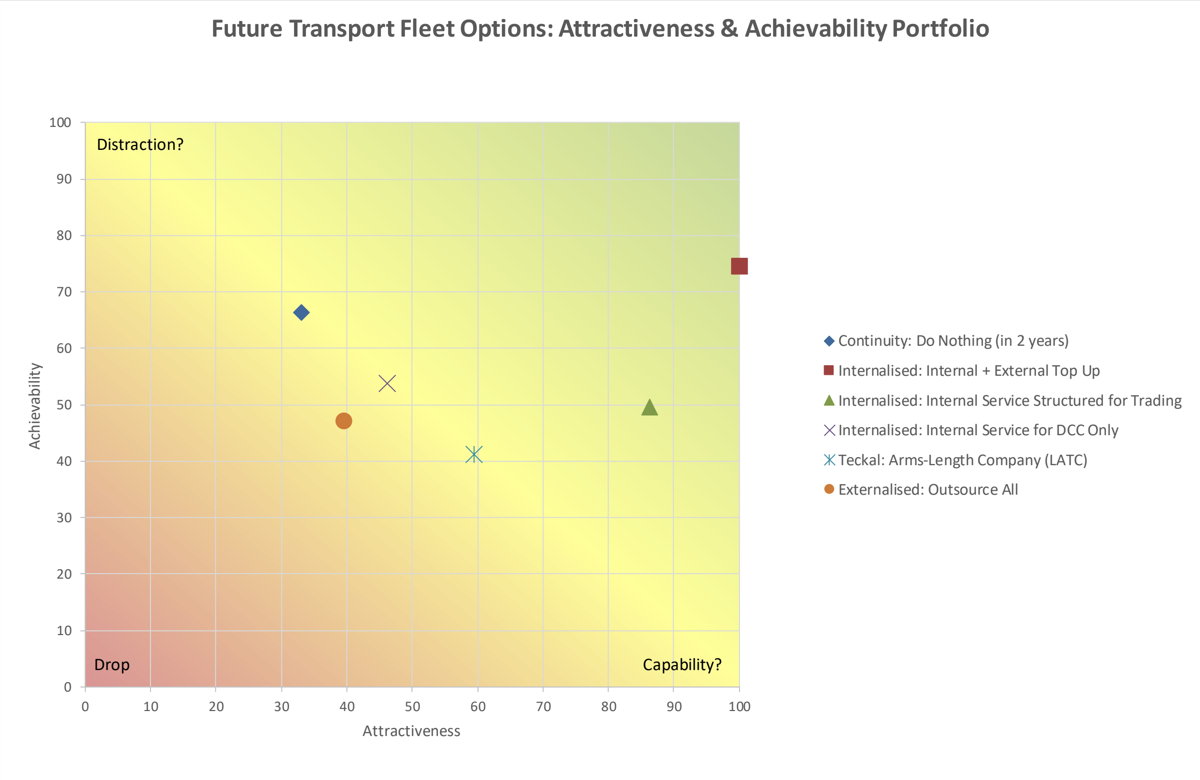
Key: Anticipated Performance	
	Not Applicable (In This Context)
0	Critical Issue / Barrier to Implementation
33	Low Attractiveness / Reduced Performance
66	Moderate Attractiveness/ on par Performance
100	High Attractiveness / Improved Performance

Key: Anticipated Performance (Achievability)	
	Not Applicable (In This Context)
0	Critical Issue / Barrier to Implementation
33	Low Achievability / Reduced Performance
66	Moderate Achievability/on par Performance
100	High Achievability / Improved Performance

Assessment Conclusions

Figure 5 provides a summary of the relative Attractiveness & Achievability of the assessed Delivery Options.

Figure 5: Delivery Options Summary Plotted Position



The highest scoring option was **Internal + External Top Up.** This option assumes that the core service continues to be provided internally following the successful implementation of the improvement programme as outlined in this report. External support is procured for specialist services and for additional capacity, as required. This option does not prohibit the expansion of the service both internally and externally but ensures the priority is to provide and maintain a cost-effective and efficient service for existing customers, both DCC and external. Such an approach reduces risk and the cost of set-up and management of a new delivery mode. The intelligent use of external support or partners **(Agile Partnering)**, that leverages a successful internal operational foundation, will allow DCTS to respond quickly to changes or opportunities in customer demand and emerging innovations within the market, such as the increased deployment of electrical / low emissions vehicles.

A service structured and focused for **Trading** (either internally or as a Teckal) may detract from the quality of service provided to existing customers. The review failed to identify the scale of opportunities for revenue growth that would justify the necessary investment (both financial and resource) in the set-up and on-going management of a fully trading service.

Although a fully **outsourced service** may deliver economic benefits through a possible reduction in the overall cost of the service, it was agreed that the overall quality of service provided to the authority was likely to be reduced. An outsourced service would be unlikely to provide the current level of customer service, choice and flexibility. The cost and effort required to define, award and manage an outsourced contract would also be significant.

It was agreed that **Do Nothing**, i.e. the failure to implement the improvement programme, as described in this report, would have a significant adverse impact on the efficiency and quality of service provided. There would be an increased risk of losing new and retained business, from both DCC and external customers.

proving
Decision Equipped.

Appendix A: Detailed VfM Assessments

Fleet Management

ID	Dimension	Factor Name	Weighting	Score (Text)	Score	Confidence	Opportunity (Text)	Opportunity
100	Economy	**Commissioned / Outsourced Service Contract (15 Contracted Lots)**						
101	Economy	Procurement Excellence & Cost of Fleet Acquisition	100	Good [75]	75	50	Definitely [100]	100
102	Economy	Cost of Retired Fleet Decommissioning / Disposal	100	Satisfactory [50]	50	75	Possibly [50]	50
103	Economy	Contract Management Overheads (Borrowing Costs)	60	Good [75]	75	50	Possibly [50]	50
104	Economy	Specialist Plant & Equipment	60	Good [75]	75	75	Probably Not [25]	25
105	Economy	**Transactional / Internally-Contracted Costs (Where Applicable)**						
106	Economy	Annual Retainers (Cost Justification & Cost Stability)	0					
107	Economy	Transactional Costs (Cost Analysis, Justification & Cost Stability)	100	Requires Improvement [25]	25	75	Probably [75]	75
108	Economy	**Internal Costs**						
109	Economy	Management	100	Good [75]	75	75	Probably Not [25]	25
110	Economy	Staff	60	Good [75]	75	75	Probably Not [25]	25
111	Economy	Contract Cost Management (Client Side)	100	Good [75]	75	75	Probably [75]	75
112	Economy	Professional / Consultancy Services	0					
113	Economy	IT / IS Services, Equipment & Software	40	Good [75]	75	75	Probably Not [25]	25
114	Economy	Materials & Consumables	0					
115	Economy	Vehicles / Equipment / EVI Charging Points	0				Probably [75]	75
116	Economy	Depots / Offices	0					
117	Economy	Other Operating Costs	0					
118	Economy	**Cost of Risk (Where Applicable)**						
119	Economy	Cost of Compensation (Derbyshire Police)	0					
120	Economy	Cost of Risk (Anticipated)	60	Good [75]	75	75	Probably Not [25]	25
121	Economy	Cost of Risk (Emergent)	0					
122	Economy	**Revenue Generation (Where Applicable)**						
123	Economy	Fleet Management Advice / Fleet Management Services	100	Requires Improvement [25]	25	75	Probably [75]	75
124	Economy	Fleet Compliance Monitoring & Advisory Services	40	Requires Improvement [25]	25	75	Probably [75]	75
125	Economy	Retired Fleet Renewal / Disposal (Used Fleet Sales)	80	Satisfactory [50]	50	75	Possibly [50]	50
126	Economy	Grant Winning (Green Conversion)	60	Requires Improvement [25]	25	75	Possibly [50]	50
127	Economy	Fleet Sponsorship	60	Requires Improvement [25]	25	50	Probably [75]	75
128	Economy	Economy Improvement Plan (Savings Plan)	60	Satisfactory [50]	50	75	Probably Not [25]	25
129	Economy	Delivery of Service Within Budget	60	Good [75]	75	75	Possibly [50]	50

ID	Dimension	Factor Name	Weighting	Score (Text)	Score	Confidence	Opportunity (Text)	Opportunity
200	Efficiency	**External Resource Efficiency (Commissioned / Outsourced Service Contract)**						
201	Efficiency	Delivery to Schedule	100	Requires Improvement [25]	25	75	Probably Not [25]	25
202	Efficiency	Vehicle Hire	100	Requires Improvement [25]	25	75	Probably [75]	75
203	Efficiency	**Internal Resource Efficiency**						
204	Efficiency	Productivity of Management	40	Satisfactory [50]	50	75	Possibly [50]	50
205	Efficiency	Productivity of Staff	40	Satisfactory [50]	50	75	Possibly [50]	50
206	Efficiency	Other Resource (Productivity)	80	Satisfactory [50]	50	75	Possibly [50]	50
207	Efficiency	**Efficiency Performance Management**						
208	Efficiency	Fleet Standardisation	100	Satisfactory [50]	50	75	Probably [75]	75
209	Efficiency	Fleet Deployment / Tax / Fuel Efficiency	100	Good [75]	75	75	Possibly [50]	50
210	Efficiency	Fleet Utilisation	80	Requires Improvement [25]	25	75	Probably [75]	75
211	Efficiency	Fleet Optimisation	100	Requires Improvement [25]	25	75	Possibly [50]	50
212	Efficiency	Fleet Sustainability	80	Good [75]	75	75	Probably Not [25]	25
213	Efficiency	Stakeholder Management (Internal & External)	100	Good [75]	75	75	Probably Not [25]	25
214	Efficiency	Fleet Agility (Scope & Scale of Operations: Demand Matching)	60	Good [75]	75	75	Probably Not [25]	25
215	Efficiency	IT / IS Management	60	Good [75]	75	75	Probably Not [25]	25
216	Efficiency	Information Analysis & Reporting Management	80	Satisfactory [50]	50	75	Probably [75]	75
217	Efficiency	Travel & Accommodation	0					
218	Efficiency	Efficiency Improvement Plan	60	Satisfactory [50]	50	75	Probably [75]	75
300	Effectiveness	**Effectiveness Management**						
301	Effectiveness	Quality of Fleet (Reliability / Service Interval / Operational Longevity)	100	Good [75]	75	75	Probably Not [25]	25
302	Effectiveness	Scope of Fleet	100	Good [75]	75	75	Probably [75]	75
303	Effectiveness	Scale of Fleet	100	Good [75]	75	75	Probably [75]	75
304	Effectiveness	Resilience of Fleet	100	Satisfactory [50]	50	75	Probably [75]	75
305	Effectiveness	Serious Events / Insurance (Accidents / Recalls / Adverse Weather / Lost Loads / Fluid & Fuel Spills)	100	Good [75]	75	75	Possibly [50]	50
311	Effectiveness	**Overall Customer Satisfaction (With Fleet)**	100	Good [75]	75	75	Probably Not [25]	25
312	Effectiveness	**Value Added Business Benefits**						
313	Effectiveness	Financial Benefits (Cashable Benefits)	20	Good [75]	75	75	Probably Not [25]	25
314	Effectiveness	Social Benefits	40	Good [75]	75	75	Possibly [50]	50
315	Effectiveness	Reputation Benefits / Dis-Benefits	40	Satisfactory [50]	50	75	Possibly [50]	50
316	Effectiveness	Environmental Benefits	60	Satisfactory [50]	50	75	Probably [75]	75
317	Effectiveness	Services Development / Innovation	50	Satisfactory [50]	50	75	Probably [75]	75
318	Effectiveness	Effectiveness Improvement Plan	0					

ID	Dimension	Factor Name	Weighting	Score (Text)	Score	Confidence	Opportunity (Text)	Opportunity
400	Strategic Value	Pursue revenue generation and cost recovery options to ensure that the service delivers an operational surplus.	100	Satisfactory [50]	50	75	Definitely [100]	100
401	Strategic Value	Create a fit-for-purpose fleet for the customers and services we serve.	100	Good [75]	75	75	Possibly [50]	50
402	Strategic Value	Ensuring the highest levels of fleet availability.	80	Good [75]	75	75	Possibly [50]	50
403	Strategic Value	Demonstrate that the fleet services team deliver best-value services.	100	Good [75]	75	75	Probably [75]	75
404	Strategic Value	Ensure Fleet Services are always the best value choice for potential customers.	80	Satisfactory [50]	50	75	Probably [75]	75
405	Strategic Value	Maintain a safe and efficient vehicle fleet.	100	Excellent [100]	100	75	Probably Not [25]	25
406	Strategic Value	Ensure the fleet reflects the environmental policies of the authority.	80	Satisfactory [50]	50	75	Probably [75]	75
407	Strategic Value	Respond to the changing needs of current and future customers and the emergence of new, transformative technologies.	80	Satisfactory [50]	50	75	Possibly [50]	50
500	Stakeholder Value	Politicians (Leader)	90	Satisfactory [50]	50	50	Probably [75]	75
501	Stakeholder Value	Portfolio Holder	100	Good [75]	75	75	Possibly [50]	50
502	Stakeholder Value	Politicians (Cabinet & Scrutiny)	90	Satisfactory [50]	50	50	Probably [75]	75
503	Stakeholder Value	Politicians (Other)	80	Satisfactory [50]	50	50	Probably [75]	75
504	Stakeholder Value	**Other Councils**						
505	Stakeholder Value	Districts	0					
506	Stakeholder Value	Parishes and Town Councils	0					
507	Stakeholder Value	Neighbouring Authorities	0					
508	Stakeholder Value	**Officers**						
509	Stakeholder Value	CEO & Corporate Team Management	100	Good [75]	75	50	Possibly [50]	50
510	Stakeholder Value	In-Function	100	Good [75]	75	75	Probably Not [25]	25
511	Stakeholder Value	In Other Dependent Functions	80	Good [75]	75	50	Probably Not [25]	25
512	Stakeholder Value	Partners (Delivery / Value Chain)	80	Good [75]	75	50	Probably Not [25]	25
513	Stakeholder Value	Highways Services	100	Good [75]	75	75	Probably Not [25]	25
513	Stakeholder Value	Property Services	100	Good [75]	75	50	Possibly [50]	50
514	Stakeholder Value	Adult Social Care	100	Good [75]	75	75	Possibly [50]	50
515	Stakeholder Value	Children's Services	100	Good [75]	75	50	Possibly [50]	50
516	Stakeholder Value	Community Services	100	Good [75]	75	50	Possibly [50]	50
517	Stakeholder Value	National Park	100	Good [75]	75	75	Possibly [50]	50

Fleet Maintenance

ID	Dimension	Factor Name	Weighting	Score (Text)	Score	Confidence	Opportunity (Text)	Opportunity
100	Economy	**Contracts**						
101	Economy	Emergency & Recovery	60	Good [75]	75	75	Possibly [50]	50
102	Economy	Overspill / Specialist Repair & Maintenance	60	Satisfactory [50]	50	75	Probably [75]	75
103	Economy	Other Costs (Where Applicable)	0					
104	Economy	**Transactional / Internally-Contracted Costs (Where Applicable)**						
105	Economy	Annual Retainers (Cost Justification & Cost Stability)	0					
106	Economy	Transactional Costs (Cost Analysis, Justification & Cost Stability)	100	Requires Improvement [25]	25	75	Definitely [100]	100
107	Economy	**Internal Costs**						
108	Economy	Management	100	Good [75]	75	75	Probably Not [25]	25
109	Economy	Staff	100	Good [75]	75	75	Possibly [50]	50
110	Economy	Subcontractors & contractor management	80	Satisfactory [50]	50	75	Possibly [50]	50
111	Economy	Professional / Consultancy Services	20	Good [75]	75	75	Probably Not [25]	25
112	Economy	IT / IS Services, Equipment & Software	40	Satisfactory [50]	50	75	Probably Not [25]	25
113	Economy	Materials & Consumables	100	Good [75]	75	75	Probably [75]	75
114	Economy	Vehicles / Equipment	100	Good [75]	75	75	Possibly [50]	50
115	Economy	Depots / Offices	100	Satisfactory [50]	50	75	Probably [75]	75
116	Economy	Disposal Costs	80	Satisfactory [50]	50	75	Possibly [50]	50
117	Economy	Energy / Fuel	60	Satisfactory [50]	50	75	Probably Not [25]	25
118	Economy	Other Operating Costs						
119	Economy	**Cost of Risk (Where Applicable)**						
120	Economy	Cost of Compensation (Service Failure)	80	Good [75]	75	75	Probably Not [25]	25
121	Economy	Cost of Risk (Anticipated)	40	Good [75]	75	75	Probably Not [25]	25
122	Economy	Cost of Risk (Emergent)	40	Good [75]	75	75	Probably Not [25]	25
123	Economy	**Revenue Generation (Where Applicable)**						
124	Economy	Income / Services Trading	0	Good [75]	75	75	Possibly [50]	50
125	Economy	Internal DCC	100	Good [75]	75	75	Possibly [50]	50
126	Economy	MOT / Follow-On Maintenance (Body-Shop)	100	Satisfactory [50]	50	75	Definitely [100]	100
127	Economy	Fleet Services for other Authorities	100	Good [75]	75	75	Definitely [100]	100
128	Economy	EVI / Hydrogen Maintenance of Vehicles	60	Satisfactory [50]	50	75	Definitely [100]	100
129	Economy	Grant / Investment Winning (Sponsorship)	40	Requires Improvement [25]	25	75	Possibly [50]	50
130	Economy	Economy Improvement Plan (Savings Plan)	60	Satisfactory [50]	50	75	Possibly [50]	50
131	Economy	Delivery of Service Within Budget	100	Satisfactory [50]	50	75	Possibly [50]	50

200	Efficiency	**External Resource Efficiency (Outsourced Service Contract)**						
201	Efficiency	Emergency & Recovery	60	Good [75]	75	75	Possibly [50]	50
202	Efficiency	Overspill / Specialist Repair & Maintenance	60	Satisfactory [50]	50	75	Probably [75]	75
203	Efficiency	Subcontractors	60	Good [75]	75	75	Possibly [50]	50
204	Efficiency	**Internal Resource Efficiency**						
205	Efficiency	Productivity of Management	100	Satisfactory [50]	50	75	Probably [75]	75
206	Efficiency	Productivity of Staff	100	Satisfactory [50]	50	75	Probably [75]	75
207	Efficiency	Other Resource (Productivity)	60	Satisfactory [50]	50	75	Definitely [100]	100
208	Efficiency	**Efficiency Performance Management**						
209	Efficiency	Service / Function Productivity & Throughput	100	Requires Improvement [25]	25	75	Definitely [100]	100
210	Efficiency	Service Utilisation	100	Good [75]	75	75	Possibly [50]	50
211	Efficiency	Service Optimisation	100		40	75	Probably [75]	75
212	Efficiency	Service Sustainability	100	Satisfactory [50]	50	75	Probably [75]	75
213	Efficiency	Stakeholder Management (Internal & External)	100	Satisfactory [50]	50	75	Definitely [100]	100
214	Efficiency	Service Agility (Scope & Scale of Operations: Demand Matching)	100	Good [75]	75	75	Probably Not [25]	25
215	Efficiency	IT / IS Management	80	Satisfactory [50]	50	75	Definitely [100]	100
216	Efficiency	Information Analysis & Reporting Management	80	Requires Improvement [25]	25	75	Definitely [100]	100
217	Efficiency	Travel & Accommodation	60	Satisfactory [50]	50	75	Probably Not [25]	25
218	Efficiency	Efficiency Improvement Plan	60	Good [75]	75	75	Possibly [50]	50
300	Effectiveness	**Effectiveness Management**						
301	Effectiveness	Quality of Service	100	Good [75]	75	100	Probably [75]	75
302	Effectiveness	Scope of Services	100	Good [75]	75	75	Probably [75]	75
303	Effectiveness	Scale of Services	100	Good [75]	75	75	Possibly [50]	50
304	Effectiveness	Resilience of Services	100	Good [75]	75	75	Probably Not [25]	25
305	Effectiveness	Serious Events (Public Protection / Safety / Regulatory Compliance)	60	Good [75]	75	75	Probably Not [25]	25
306	Effectiveness	**Transactional Performance (Where Applicable)**						
307	Effectiveness	% of On-Budget Transactions	60		60	75	Possibly [50]	50
308	Effectiveness	% of Error-Free Transactions	100	Good [75]	75	75	Probably Not [25]	25
309	Effectiveness	% of On-Time Transactions	100	Good [75]	75	75	Probably Not [25]	25
310	Effectiveness	% of Reworked / Discarded Outputs	0					
311	Effectiveness	Overall Customer Satisfaction	100	Good [75]	75	75	Possibly [50]	50
312	Effectiveness	**Value Added Business Benefits**						
313	Effectiveness	Financial Benefits (Cashable Benefits)	40	Good [75]	75	75	Probably Not [25]	25
314	Effectiveness	Social Benefits	80	Good [75]	75	75	Probably Not [25]	25
315	Effectiveness	Reputation Benefits / Dis-Benefits	60	Good [75]	75	75	Probably Not [25]	25
316	Effectiveness	Environmental Benefits	60	Good [75]	75	75	Probably Not [25]	25
317	Effectiveness	Services Development / Innovation	50	Requires Improvement [25]	25	75	Probably [75]	75
318	Effectiveness	Effectiveness Improvement Plan	60	Good [75]	75	75	Probably [75]	75

400	Strategic Value	Pursue revenue generation and cost recovery options to ensure that the service delivers an operational surplus.	100	Good [75]	75	75	Probably [75]	75
401	Strategic Value	Create a fit-for-purpose fleet for the customers and services we serve.	100	Good [75]	75	75	Probably Not [25]	25
402	Strategic Value	Ensuring the highest levels of fleet availability.	80	Good [75]	75	75	Probably Not [25]	25
403	Strategic Value	Demonstrate that the fleet services team deliver best-value services.	100	Good [75]	75	75	Possibly [50]	50
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405	Strategic Value	Maintain a safe and efficient vehicle fleet.	100	Excellent [100]	100	75	Probably Not [25]	25
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408	Strategic Value	Respond to the changing needs of current and future customers and the emergence of new, transformative technologies.	80	Good [75]	75	75	Probably [75]	75
500	Stakeholder Value	Politicians (Leader)	90	Satisfactory [50]	50	50	Probably [75]	75
501	Stakeholder Value	Portfolio Holder	100	Good [75]	75	50	Probably [75]	75
502	Stakeholder Value	Politicians (Cabinet & Scrutiny)	90	Satisfactory [50]	50	50	Probably [75]	75
503	Stakeholder Value	Politicians (Other)	80	Satisfactory [50]	50	50	Probably [75]	75
504	Stakeholder Value	**Other Councils**						50
505	Stakeholder Value	Districts	60	Satisfactory [50]	50	50	Probably [75]	75
506	Stakeholder Value	Parishes and Town Councils	0					
507	Stakeholder Value	Neighbouring Authorities	40	Satisfactory [50]	50	50	Probably [75]	75
508	Stakeholder Value	**Officers**						
509	Stakeholder Value	Corporate Team Management	100	Good [75]	75	50	Possibly [50]	50
510	Stakeholder Value	In-Function	100	Good [75]	75	75	Probably Not [25]	25
511	Stakeholder Value	In Other Dependent Functions	80	Good [75]	75	50	Possibly [50]	50
512	Stakeholder Value	Partners (Delivery / Value Chain)	80	Good [75]	75	50		
519	Stakeholder Value	General Public	40	Good [75]	75	50	Probably [75]	75
520	Stakeholder Value	Regulators	80	Excellent [100]	100	50	Probably Not [25]	25
521	Stakeholder Value	Special Interest Groups	0					
521	Stakeholder Value	Unions	80	Good [75]	75	50	Probably [75]	75

Appendix B: Workshop Participants (Invited)

1. Angela Glithero (Assistant Director)
2. Brian Hattersley
3. Richard Bright
4. Bernard Hirst
5. Alexander Kozowenko
6. Mandy Stafford-Wood (Children's Services)
7. Steve Kirkland (Business Services)
8. Chris Allwood (Highways)
9. David Astbury (Highways)
10. Stephen Brown (Property)
11. Ian Riley (Property)
12. Richard Taylor (Countryside)_
13. Amanda Nadin (Adult Care)
14. Richard Lovell (Sustainable Travel)
15. Terry Hitchcock (Derbyshire Constabulary)
16. John Stevenson
17. David Pattison
18. Catherine McDonnell (Finance)
19. Pam Taylor (Finance)
20. Julie Musgrove (HR)

(All County Transport except where shown)