

## **Hampshire Fire and Rescue Authority**

### **Performance Review and Scrutiny Committee**

**Item**

**1 July 2010**

### **Fleet Maintenance Centre Review**

### **Report of the Chief Officer**

Contact: T/ACO Bob Ratcliffe Tel: 02380 626846 ext 2013 bob.ratcliffe@hantsfire.gov.uk

## **1 Summary**

- 1.1 A review of the Fleet Maintenance Centre (FMC) and the management of the Service's vehicle fleet was commissioned by the Authority in 2009. This review was conducted by external consultants, Munro Kempton Associates Limited (MKA). The initial findings of the review were reported to PRSC on the 26 June 2009. This paper summarises the progress made since the completion of the review.

## **2 Recommendations**

- 2.1 That progress on the review of the Fleet Maintenance Centre be noted.
- 2.2 That an evaluation report be presented to the Committee 12 months after implementation of the recommended changes.

## **3 Introduction and background**

- 3.1 One of the outcomes of the review of Directorates (in 2009) was that responsibility for the management of the vehicle fleet would transfer from 'Strategic Projects and Specialist Response' to 'Corporate Services'. The original intention was to complete all aspects of the review of vehicle fleet maintenance and implement any changes prior to this transfer. However, because of recent personnel changes on the Service Management Team, the transfer is likely to take place prior to full implementation of the FMC review.
- 3.2 The remit for this review was to establish the commercial and operational efficiency of the Service's in-house operations, and to identify opportunities to improve the current management arrangements including: key performance indicators; internal relationships and accountability to the Service Delivery directorate; and recommendations for resolving known inadequacies with the fleet asset strategy and supporting fleet management information system (FMS).

3.3 A programme board which includes Councillors Beagley and Payne, was established to oversee the MKA review. A 'Project Initiation Document' (using Prince2 methodology) was agreed to work on three key projects:

- **Project 1:** The development of a Service Level Agreement (SLA), between fleet management and Service Delivery. This SLA will reflect the operational and commercial needs of the Service, monitored through the use of Key Performance Indicators.
- **Project 2:** The development of a fleet asset strategy and associated policy.
- **Project 3:** The evaluation, selection, and implementation of a suitable fleet management information system (FMS).

### **3.4 Project 1 Progress**

- 3.4.1 An SLA has been developed and agreed. The agreement will be regularly reviewed and/or amended when significant changes are identified and agreed.
- 3.4.2 In order to work effectively in partnership with its primary customer, the Service Delivery directorate and other departments, the fleet management and fleet maintenance functions, will control and manage the Service's vehicles and equipment in support of the strategy.
- 3.4.3 All activities associated with vehicle fleet management have been scoped and documented, supported by 10 key performance indicators (KPIs). The SLA encompasses the provision, servicing, repair and maintenance of vehicles and their associated equipment. The KPIs will be reported to, and monitored by, the Directors of Service Delivery and Corporate Services.

### **3.5 Project 2 Progress**

- 3.5.1 A strategy document is being developed and will be completed and agreed by the end of July 2010.

The strategy will include the following key areas:

- Business strategy
- Operational and resilience issues
- Commercial issues
- Resources
- Processes
- Environmental issues

### **3.6 Project 3 Progress**

- 3.6.1 The current FMS system is no longer suitable to meet the Service's needs. A project team was established to investigate the potential options for an I.T. solution to meet the Service's requirements. Potential suppliers were selected from the market leaders operating within the emergency services and wider public sector.
- 3.6.2 Following an extensive evaluation, the FMC Review board agreed that 'Tranman v8' would be the best system to meet the Service's requirements. This system is used by 40% of fire and rescue services and by 80% of police transport departments.
- 3.6.3 Work is now underway to complete the procurement process and implementation of this new system by March 2011.

### **3.7 Staff Structure and Capacity**

- 3.7.1 Whilst the staff structure and capacity of Fleet and FMC did not form part of the remit of the Munro Kempton review and subsequent projects, it is acknowledged that such a review is necessary in order to consider all aspects of the operations of Fleet and FMC. Subsequent to the MKA report, and the Service's decision to complete a staff review, it was agreed that a staff review of Fleet and FMC will be completed separately to the wider Service staff review. This review will commence on completion of the 3 projects as detailed within section 3 of this report.

## **4 Supporting our corporate aims and objectives**

- 4.1 This review and its outcomes fits with the Authority's priority to make more efficient and effective use of its resources. The improvements expected in managing the Service's vehicle fleet will generally support more efficient and flexible working systems. The review, completed in 2009 and subsequent improvements, will ensure the planning and management of the vehicle fleet is better able to support the operational objectives set out in our Community Response Strategy 2009 – 2012.

## **5 Risk analysis**

- 5.1 The Authority makes a significant investment each year in maintaining its vehicle fleet. The quality of the fleet is excellent. However, we need to show that the investment is also delivering excellent value for money. Failure to improve the management arrangements and resolve some of the weaknesses identified in this review would leave the Authority vulnerable to criticism, and therefore reputational damage. By implementing the various recommendations that will emerge we expect to mitigate that risk by demonstrating sound day-to-day performance and a commitment to continuous improvement.

## **6 People Impact Assessment**

- 6.1 No significant issues have been identified and the proposals in this report are considered compatible with the provisions of the European Convention on Human Rights, the Human Rights Act 1998, and the Race Relations (Amendment) Act 2000.

## **7 Environmental and Sustainability impact assessment**

- 7.1 Environmental issues and considerations will be incorporated within the Fleet Strategy document due for completion in July 2010.

## **8 Resource implications**

### **8.1 Information and Communications Technology Resources**

Following completion of the procurement process for a new FMS, an implementation plan will be developed to ensure the integration of the new system and associated training for staff. This process will be completed by the end of March 2011.

### **8.2 Financial Implications**

Funding for the new FMS system was previously allocated from the 2009/10 budget, this has been carried over to 2010/11. Finalised annual costs associated with support/maintenance systems will be funded from existing budgets.

Consultancy fees associated with the ongoing involvement and support from MKA were agreed and capped at the start of the project and are funded from within existing Service budgets.

## **9 Consultation**

- 9.1 Managers and staff from within the FMC and Fleet departments have played an active role in the project work in responding to the MKA review and report.

## **10 Background papers**

- 10.1 The following documents disclose the facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of the report:

Munro Kempton Associates – Fire Authority Member Review of Fleet Maintenance Centre – 17<sup>th</sup> June 2009

Note: The list excludes: (1) published works; and (2) documents that disclose exempt or confidential information defined in the Act.