

Report of the Area Commander (Head of Operations Support)

9. Fleet Strategy 2016 - 2021

Purpose of report

1. To gain approval for the revised Fleet Strategy 2016 - 2021.
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Recommendation

It is recommended that the new Fleet Strategy 2016-2021 be approved.

Introduction and Background

2. The Policy and Resources Committee established a Task and Finish group to review the Fleet Strategy in January 2016. The Task and Finish Group, chaired by Cllr Phillips, met on 7 March 2016 and subsequently reported back to the Policy and Resources Committee on 16th June 2016 with their findings, which were approved at that meeting (below):
 - i. *a revised and updated Fleet Strategy be provided to the Policy and Resources Committee in September 2016 for approval;*
 - ii. *further detail on the fleet provision be included in the yearly budget report to the Policy and Resources Committee;*
 - iii. *the Fleet Strategy be reviewed at least every five years with a report to the Policy and Resources Committee; and*
 - iv. *the revised Fleet Strategy should reflect the distinction between operational decisions over the specification and choice of vehicles/equipment, which were matters for officers, and broader strategic issues affecting the Authority's finances or the Service to the public, which would require Member involvement.*

Delivery of the New Fleet Strategy

3. A revised fleet strategy has now been developed, including details of the financing through the capital (fleet) replacement programme, which has also been fully reviewed in the new Strategy.
4. The new Fleet Strategy (2016 - 2021) was approved by the Service's Senior Management Board on 9th August 2016, prior to submission to this Committee.
5. As noted in point i. above, this report now seeks approval for a revised 5 year (2016 - 2021) Fleet Strategy as detailed in Appendix 1.

Financial Considerations

6. The revised Fleet Strategy, as set out, changes the budget requirement from that currently under-pinning the Medium Term Financial Plan, which was based on the previous 2007-2022 Fleet strategy.
7. As a consequence of a the review and the consequential reductions in the fleet, the overall financial requirement (as shown in the table below) is significantly reduced.

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
MTFP Capital Provision	2.498	1.469	2.155	2.312	1.462	1.230	11.126
MTFP Leasing Provision	0.084	0.307	0.603	0.043	0.084	0.020	1.141
	2.582	1.776	2.758	2.355	1.546	1.250	12.267
Revised Fleet Strategy	1.401	2.275	2.060	0.496	2.110	1.774	10.116
Difference	(1.181)	0.499	(0.698)	(1.859)	0.564	0.524	(2.151)
Cumulative		(0.682)	(1.380)	(3.239)	(2.675)	(2.151)	

8. The changes, if, approved, will have an impact on capital financing charges and therefore the overall revenue budget. However, as the cumulative difference is financially favourable this will assist in reducing future budget gaps.
9. The exact detail is yet to be worked through but will be included in the next update to the MTFP to be brought to the Committee in November. A initial estimate of the 2016/17 impact is included in the 2016/17 budget monitoring report included elsewhere on the Agenda.

Conclusion/Summary

10. The considerations and views of the Task and Finish Group have been included in the new Strategy which seeks to support the management of the entire HWFRS fleet for the next five years.
11. The Fleet Strategy will be updated regularly and will be reviewed annually by the Senior Management Board prior to the submission of a report to the Policy and Resources Committee each year, usually at the January meeting aligned to the budget setting processes.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	There are financially favourable resource implications which will be reflected in future revisions to the MTFP.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	This paper includes a strategy which is aligned to the Services strategic objectives, "Our Strategy".
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	This paper and strategy underpins the supporting of sound and appropriate H&S considerations in regard to providing a fit for purpose fleet of vehicles.
Consultation (identify any public or other consultation that has been carried out on this matter)	Undertaken as appropriate.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	As appropriate

Supporting Information

Appendix 1 – Fleet Strategy 2016-2021

Background Papers

Fleet Strategy 2007 – 2022

P&R paper 16th June 2016. 12. Vehicle Fleet Capital Programme

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