

## Efficiencies in transport Accounting structures



- Costs – supply and maintain
  - fleet and workshop costs, store costs, overheads, administration charges and the cost of non-fair wear and tear
- Income - hire charges and contract maintenance charges
  - 'Other services' - taxi testing, MOT's, education and support (including driver training) and accident management
- Partnership arrangements with other local authorities and public bodies

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## Performance



- Weighted number of vehicles maintained per fitter per annum (124)
- Vehicle availability and reducing the downtime of vehicles
- Percentage of vehicles passing DOE first time
- Percentage of vehicles serviced within 7 days of schedule
- Percentage of all workshop jobs completed within 24 hours

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## Purchasing



- Regional purchasing arrangements
- East Midlands saved over £1.75 million through joint procurement of RCV's
- Benchmarking and sharing of vehicle costs
  - analyse the cost of different types of operations
  - utilisation

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## Green fuel



- Reduce the council's CO2 emissions
- Reduce the costs of running the fleet
- Case studies:
  - A city council in the north of England began a demonstration trial of two compressed gas powered refuse collection vehicles using biomethane. Initial research suggests that if the technology was rolled out on a large enough scale, this has the potential to reduce the council fuel bill by up to 10%.
  - A council in the north of Scotland reduced carbon emissions from their vehicles by 76.5% collecting used vegetable oils and then reprocessing them to produce bio diesel to run the councils fleet vehicles. The collection of waste oil previously using another supplier was 33p per litre, now the council gets paid 5p per litre for the oil collected. The cost of fuel is 10p cheaper per litre to run the bio diesel vehicles with no difference in mileage output.

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## Overtime



- Reduce overtime costs or eliminate them
- Design of shift systems which ensures that staff are carrying out their normal working hours on the days that they are needed

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## Sub-contracting



- Dealing with peaks in workload
- Added value to the service by providing specialism's at optimum cost
- Decrease vehicle downtime
- Reduce the number of spare needed to cover service

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## Replacement programs



- Efficiency reducing with age - increase in replacement hire charges for a vehicle whilst out of service
- Charges for the maintenance element of vehicles and plant to service areas are based on their useful life
- If vehicles are extended beyond their useful life then the transport operation will be faced with bearing these increased costs (in the case of maintenance only provision this burden will transfer to the end user)
- Uncompetitive position because they will be benchmarked against the private sector whose vehicle will be within the expected life bands

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## Sickness absence



- Average sickness for fitters and tradespersons is 5.23%
- Examples of transport services who have managed to reduce the overall sickness figure down to below 1%
- Strict adherence to the method for managing absence and timely management enforcement
- The system for monitoring sickness needs to highlight absences immediately and action to follow very shortly afterwards

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## Enforcement and training



- Compliance and training is vital to ensure the safety of drivers and also to managing costs through controlling non-fair wear and tear on vehicles
- This can include effective driver training, monitoring overloading, license checks
- APSE's query service which is free to member authorities allows for the sharing of different approaches taken by councils

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### Central establishment charges



- Most contentious area of cost
- They are frequently apportioned in an arbitrary fashion or on the basis of head-count or square meterage
- Charges based on actual usage should be argued

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### Tools and techniques



- The use of data
- Process benchmarking
- Systems thinking or 'lean techniques' - quick change over of equipment and shifts; standardisation of processes and methods of working; and keeping processes simple by visualising them
- Reviewing vehicle utilisation and downtime
- Rework number of hours (productivity)
- Research income generation e.g. MOTs
- Examine the green agenda e.g. electric fleet
- Plan against actual demand

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