

# **Report to the Council**

**Committee:** Cabinet

**Date:** 26 July 2011

**Portfolio Holder:** Councillor John Wyatt  
(Support Services)

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## **SUPPLEMENTARY ESTIMATE – FLEET OPERATIONS – NEW EQUIPMENT**

### **Recommending:**

**That a supplementary capital estimate in the sum of £24,000 be approved for 2011/12 for the purchase of a new vehicle lift and ancillary equipment to increase capacity for undertaking MoT Tests**

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### **Background**

1. Fleet Operations, based at Langston Road Depot, is responsible for maintaining, servicing and repairing the Council's fleet vehicles, carrying out taxi and private hire vehicle licensing inspections and is a registered vehicle testing station (VTS) with the Vehicle and Operator Services Agency (VOSA).
2. Following the latest survey, VOSA assessed Fleet Operations as being at low risk of non compliance with a risk score of 117.7 which represents an improvement on last years' score of 255. Fleet Operations has therefore retained and improved its position in the top quartile for performance of all VOSA registered vehicle testing stations.
3. In 2010/11 Fleet Operations made an operating surplus of £85,544 largely due to the income generated from MoT tests.
4. Currently MoT testing is undertaken for a number of local franchised car dealerships and small local garages, taxi and private hire vehicles licensed with the Council, staff and members and the general public.

### **Proposal**

5. MoT work is increasing and at present an average of twenty tests per week are having to be turned away because of lack of capacity. This represents a potential lost income of £46,000 per annum. In addition a new commercial dealership has recently opened in the area and initial signs are that the Council will be asked to undertake their MoT tests.
6. Currently two lifts/ramps are used for MoT testing. Each lift/ramp can process two tests per hour but it requires two people for each lift/ramp.
7. It is therefore proposed that Fleet Operations expands into an additional bay within the workshop building and invests in a new lift/ramp and

ancillary equipment that will enable one mechanic on his own to carry out MoT tests. Initially it is anticipated that one mechanic will be able to carry out a test every 45 minutes. This will increase capacity and enable an additional 60 tests per week to be undertaken. This figure may well increase once the mechanics have become familiar with the new equipment and the new methods of working that will be involved.

8. The capital cost of the new lift/ramp and ancillary equipment, including a small contingency is estimated at £24,000 supplied, installed and certified by VOSA. This figure is based on a quotation already obtained although two more will be sought in order to comply with financial regulations and contract standing orders.
9. If this proposal is agreed it is intended to use the new lift/ramp predominantly for the franchised dealer MoTs which means that based on 60 tests per week it has the potential to generate additional income that could achieve a total operating surplus of over £200,000 in a full financial year.
10. However it will take some time to generate sufficient extra business to reach the maximum potential but the investment costs could be recouped in nine weeks of the new ramp being installed and made operational.
11. Based on 6 months potential additional income for the remainder of 2011/12 it is estimated that the operating surplus would exceed £100,000.
12. There are no increased staffing costs associated with this proposal because of a more efficient use of resources. The Fleet Operations Manager and the mechanics will have to undergo training in the use of the new equipment but these costs can be met from within the existing training budget.
13. The investment in the new equipment prior to relocation to Oakwood Hill Industrial Estate will not be wasted as it will be easily transportable to the new depot when the move occurs.
14. We recommend as set out at the commencement of this report.