

## **WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

**26 JUNE 2023**

### **1. SERVICE PROVIDED VEHICLES**

Report of the Chief Fire Officer

RECOMMENDED

- 1.1 THAT the Authority give approval for the provision of service provided vehicles for responding Officers together with the associated funding requirements.

### **2. PURPOSE OF REPORT**

- 2.1 To provide an overview of the rationale, benefits and financial implications for WMFS to transition into a service provided vehicle scheme.

### **3. BACKGROUND**

- 3.1. Since 2013, WMFS have operated a “grey fleet” scheme, whereby responding officers utilise their own vehicles when mobilising to emergency incidents. Officers are provided with financial payments reimbursing them for the use of their own vehicles with limited organisational assurance.
- 3.2. This means that officers currently respond in a fleet of 56 different vehicles of varying size, make, age and fuel type, some of which do not conform to what would typically be expected of an emergency response vehicle, e.g., a pick-up truck.
- 3.3. Following a review of this approach, it has been identified that this represents a risk to the Service, and that change is required to minimise road risk and provide appropriate assurance as to the safety and suitability of vehicles being used for emergency response.

- 3.4. Currently, the Service has limited means of assessing whether vehicles are both roadworthy and appropriate to the role which may present a risk to responding officers and is a clear reputational risk to the Service. Simply put, if an officer were to have an accident while responding on blue lights and it emerged their vehicle was in some way defective or unroadworthy, the Service could face significant legal and reputational issues (see Legal Implications below).
- 3.5. As a short term/interim mitigation measure to protect the Service against the risks identified and to reimburse responding officers proportionally, an enhancement to the current “grey fleet” provision has been proposed. This will consist of two phases of vehicle inspection designed to ensure roadworthiness:
- Responding officer inspections
  - TEW vehicle inspections.
- 3.6. Responding officers will receive an additional tiered lump sum based on historical evidence, available data and the role they provide. As set out in Table 1 below, the estimated increase in costs stands at around £10,000 per annum.

#### 4. **MOVE TO SERVICE PROVIDED VEHICLE SCHEME**

- 4.1. In the medium term, greater assurance would be secured by a “service provided” vehicles model.
- 4.2. WMFS is currently an outlier within the sector in using a “grey fleet”, with almost all UK FRS providing officer cars under a service provided model. The approach ensures that the management of road risk is within the control of the Service and the type of vehicle that is used is appropriate and is in line with our corporate image.
- 4.3. Such an approach will also enable consistent enhanced capabilities within our officer vehicle fleet, such as 4x4 capability or vehicle equipment capacity.
- 4.4. It has been assessed that purchasing these vehicles outright is the best procurement approach. This model would be scalable and flexible to ensure value for money plus a scheme providing a consistent and effective vehicle that is proportionate in value when considering public perception.

- 4.5. Procuring these vehicles ourselves will also allow for economies of scale and ensure we can take account of future resale values. It should be noted that these vehicles will be assets of the Service and whilst there may be a significant capital investment, they will retain a significant residual value which can be recouped at the end of their service life in line with the vehicle replacement programme.
- 4.6. As part of any procurement process, the Service will consider not only price but the most economically advantageous option, which will allow for quality, safety, environmental and social impact considerations. This means the Service will be able to consider not only the cost of vehicles, but quality and sustainability of manufacture, and their suitability for the role.
- 4.7. We are seeking the Authority's approval to move forward with this model, within the costs outlined in the Financial Implications section below and in line with the Authority's Procurement Policy. The next phase would be for officers to begin consultation with stakeholders regarding a "service provided" model, with a procurement update report provided to Authority in autumn 2023.

## 5. **EQUALITY IMPACT ASSESSMENT**

- 5.1 An Initial EIA has been undertaken as part of this policy proposal and is awaiting feedback from the DICE team however, it is also intended that a full EIA will form part of the engagement and consultation process with affected officers.

## 6. **LEGAL IMPLICATIONS**

- 6.1. Even though our "grey fleet" vehicles are privately owned, when they are used for service business, the Authority has the same responsibilities and duties under the Health and Safety at Work Act 1974 and Management of Health & Safety at Work Regulations 1999 as they would do in a service vehicle or workplace.
- 6.2. The Authority and Service could be liable under the Corporate Manslaughter and Corporate Homicide Act 2007 in relation to a fatal accident involving a grey fleet vehicle being used for service business.

## 7. **FINANCIAL IMPLICATIONS**

- 7.1. The current “grey fleet” provisions, inclusive of all on-costs, costs approximately £150,000 per annum.
- 7.2. In order to provide the equivalent annual cost comparison if this option was to go ahead, the Table below summarises the position:

Estimated Annual Costs (3-year period)			
	Current Model	Enhanced	Purchase
Total Capital Expenditure: Business use (excl VAT)			£2,127,000
Annual Interest at 4% on capital expenditure			£85,000
Car tax (years 2 and 3)			£11,000
Depreciation per year			£248,000
Blue Light Allowance per year	£5,000	£5,000	
Essential Car User per year	£69,000	£69,000	
Mileage claims	£73,000	£73,000	£20,000
Kit allowance		£1,000	
Wear and tear		£9,000	
Insurance			£5,000
Running Costs / Servicing			£11,000
<b>Total - Business use per year</b>	<b>£147,000</b>	<b>£157,000</b>	<b>£380,000</b>

- 7.3. The estimated capital cost of moving to a service provided fleet, based on engagement with suppliers, stands at approximately £2.1 million. For the purposes of comparison against the current arrangements, the cost of the proposed model equates to approximately £380,000 per annum.
- 7.4. It is important to note at the end of a three year period, the vehicles would retain significant residual value from resale that can be reinvested in the next procurement cycle. In the example above, depreciation over three years would be approximately £744,000.

- 7.5. The estimated costs for the service provided model are based on a fleet of 56 vehicles of a certain specification but following consultation this may change – the proposed model would be fully scalable and flexible.
- 7.6. Subject to approval of the proposed car provision arrangements, the estimated capital and additional revenue costs would need to be considered as part of the Authority's 2024/25 budget setting process.

8. **ENVIRONMENTAL IMPLICATIONS**

- 8.1. The option of moving to a service provided vehicles model offers significant opportunities to consider the environmental impact of our officer cars. As part of the tender process, the service will consider the use of hybrid and lower-emission vehicles.
- 8.2. Currently, officer travel is a Scope 2 emission not in direct control of the Authority, but under this model they would become Scope 1 emissions and there would be an opportunity to reduce those emissions through procurement of hybrid or alternatively-fuelled vehicles in the short and medium term.

9. **BACKGROUND PAPERS**

None.

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