

DRAFT SAVINGS PROPOSAL

London Borough of Tower Hamlets
Medium Term Financial Strategy 2021-24

Proposal Title:	Change of fleet diesel supply		
Reference:	SAV / PLA 002 / 21-22	Savings Type:	Service transformation
Directorate:	Place	Savings Service Area:	Central services
Directorate Service:	Fleet	Strategic Priority Outcome:	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement
Lead Officer and Post:	Philip Dodds, Interim Fleet Operations Manager	Lead Member and Portfolio:	Cllr Dan Tomlinson & Cllr Asma Islam, Cabinet Member for Environment and Public Realm

Financial Impact:	Current Budget 2020-21	Savings/Income 2021-22	Savings/Income 2022-23	Savings/Income 2023-24	Total Savings/Income
Budget (£000)	240	(20)	-	-	(20)

Staffing Impact (if applicable):	Current 2020-21	FTE Reductions 2021-22	FTE Reductions 2022-23	FTE Reductions 2023-24	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Currently the waste service refuels their vehicles using a fuelling facility at the Blackwall Transport Complex with diesel fuel being delivered in bulk. All other departments of the Council excluding contract services (who use the contingency tank at Toby Lane) refuel their diesel vehicles using fuel cards. This includes passenger services whom share the site at Blackwall with waste. Currently £240,000 is forecast to be spent on fuel (excluding waste and contract services in 2020/21). The price of using the fuel cards is significantly more than using the tank at Blackwall. The current price of the fuel card is pump price minus VAT, which at present is between 91p and £1 a litre. The current price of diesel in the bulk tank at Blackwall is 79p per litre, up to 21p per litre less. Even assuming a more modest price difference of 11p per litre, and only assuming passenger services is the only department to abandon fuel card usage, approximately £20,000.00 per annum could be saved. There are some logistical challenges to moving all of the Council to fuelling at Blackwall, but moving the second biggest fleet, Passenger services to fuelling at Blackwall would be achievable with a significant saving.

Risk and Mitigations:

There is a risk that the fuel tank may run out of fuel if there is disruption to deliveries or the fuelling equipment may fail, however there is a contingency fuel tank at Blackwall and another at Toby Lane. Levels in the main tank will not be allowed to drop below a certain level to ensure the best chance of supplies being maintained. Fleet will keep two fuel cards as a contingency.

Resources and Implementation:

A bulk delivery of fuel needs to be ordered on more regular occasion.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	
Summary:		
To be completed at the end of completing the Screening Tool.		
Based on the Screening Tool, will a full EA will be required?	No	
Additional Information and Comments:		