



Fleet

Service Management Plan

May 2018

Document Control					
Rev No	Date	Revision Details	Author	Reviewer	Approver
V1	11/12/2017	Draft	MIS	CA	
V2	06/03/2018	Draft	MIS	Internal Auditor, BDO	
V3	02/07/2018	Format content		S. Rozynski	

TABLE OF CONTENTS

1	Executive Summary	4
2	Expenditure Analysis	5
3	Introduction.....	7
	3.1 Background.....	7
	3.2 Council’s goals and objectives for fleet services	7
	3.3 The purpose of the fleet services management plan.....	7
	3.4 Corporate Plan and Operational Plan linkage	7
4	Service logic.....	8
	4.1 Service Objective	8
5	Future Demand.....	13
	5.1 Demand Forecast	13
6	Risk Management.....	14
	6.1 Risk Assessment	14
	6.2 Risk Treatment	14
7	Data and Parameters.....	16
	7.1 Adopted Useful Lives and Residual Values of Fleet Assets	16
	7.2 Maintenance Strategies	17
	7.3 Replacement Plan.....	17
	7.4 Disposal Plan	17
8	Fleet Asset Analysis	17
	8.1 Assumptions	17
9	Fleet Asset Financial Analysis	18
	9.1 Expenditure projections for long term financial plan	18
	9.2 Financial Recommendations	19
10	Plan Improvement and Monitoring.....	19
	10.1 Performance Measures	19
	10.2 Improvement Plan.....	19
	10.3 Monitoring and Review Procedures.....	19

1 EXECUTIVE SUMMARY

The services management plan (SMP) describes the fleet assets provided to the organisation as a means to deliver services to the community and the considerations that need to be made to ensure that the provision of these assets is done in a sustainable and equitable manner.

The fleet assets are valued at \$9.9m (WDV) as at 30 June 2017 and are apportioned as shown in Figure 1-1.

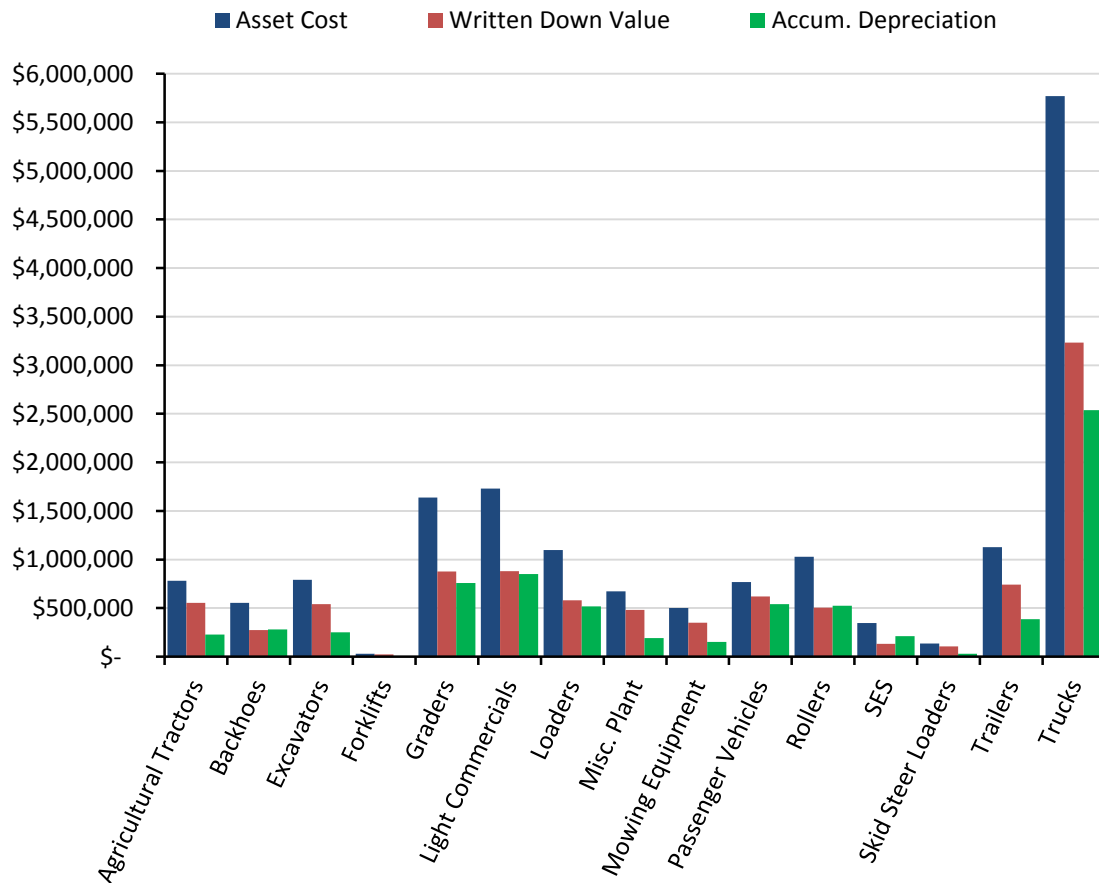


Figure 1-1 Fleet Asset Summary as at 30 June 2017

Table 1-1: fleet composition and percentage consumed per plant type

Plant Type	Qty	Asset Cost	Written Down Value	Accumulated Depreciation	% of Asset Base Consumed
Agricultural	8	\$	\$	\$ 227,965	29%
Backhoes	4	\$	\$	\$ 281,526	51%
Excavators	5	\$	\$	\$ 249,507	32%
Forklifts	2	\$	\$	\$ 6,935	23%
Graders	5	\$	\$	\$ 758,739	46%
Light	50	\$	\$	\$ 850,637	49%
Loaders	4	\$	\$	\$ 516,975	47%
Miscellaneous	96	\$	\$	\$ 191,893	29%
Mowing	27	\$	\$	\$ 151,038	30%
Passenger	22	\$	\$	\$ 539,112	70%
Rollers	9	\$	\$	\$ 524,603	51%
State Emergency	21	\$	\$	\$ 212,279	62%
Skid Steer	2	\$	\$	\$ 29,668	22%
Trailers	37	\$	\$	\$ 386,610	34%
Trucks	49	\$	\$	\$ 2,536,802	44%
		\$	\$	\$ 7,464,289	44%

2 EXPENDITURE ANALYSIS

An expenditure analysis has been undertaken to understand what it costs to own, operate, maintain and replace Council’s fleet assets, this is based on what is currently understood of the services and likely demand over the planning period.

2.1.1 Repairs and Maintenance

Repairs and maintenance expenditure is shown in Figure 1-2 from 2014/15 through to the current year.

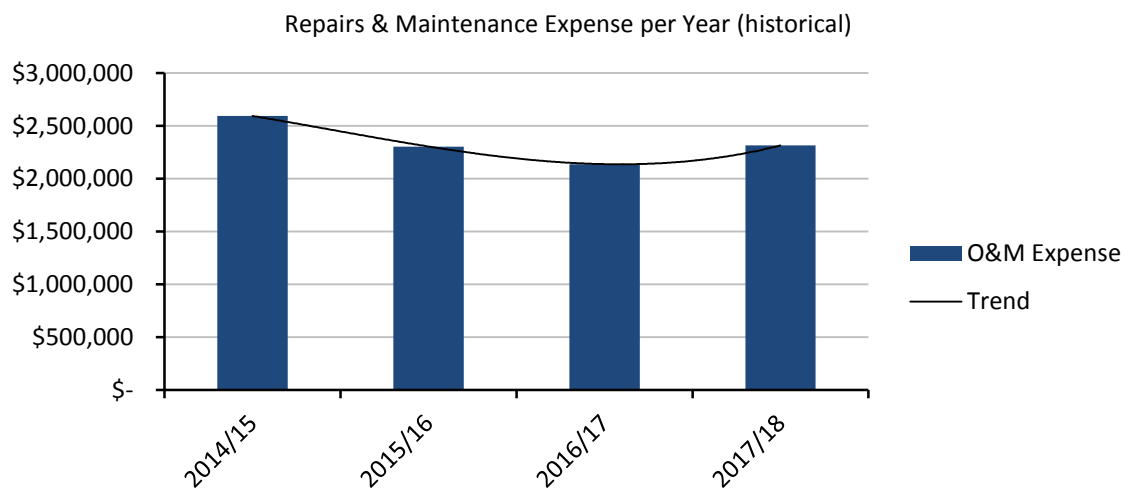


Figure 1-2 Repairs and Maintenance Expenditure

*2017/18 expenses have been prorated based on part year expenditure

*Does not include fuel expenses

2.1.2 Owning and operating cost vs. revenue

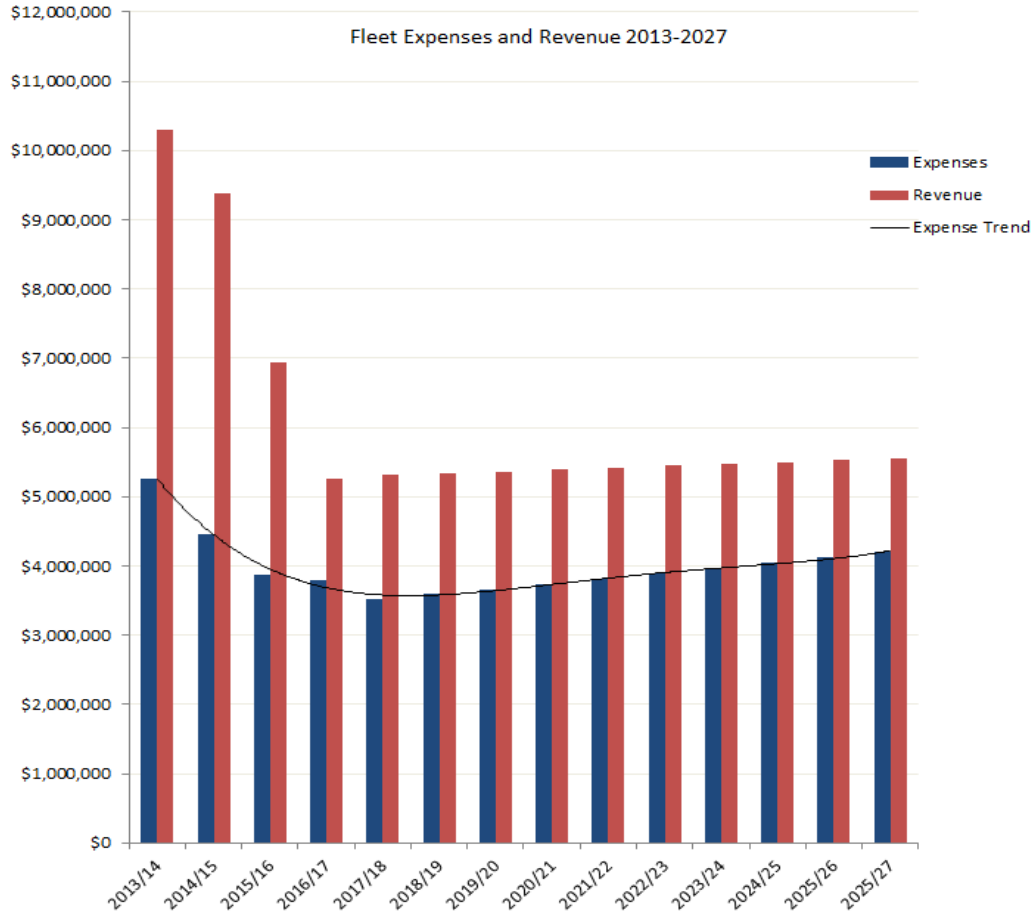


Figure 1-3 Total Fleet Expenses and Revenue 2013 – 2027 (historic and projected)

*2017/18 figures prorated on actual expense and revenue for part year, future years projected.

2.1.3 Required Capital Investment

The capital expenditure requirements for the replacement of existing fleet items can be found in Table 1-11, pg.17. The capital investment that Council has made to the fleet assets in the financial year has resulted in a projected return to a surplus of \$682,000 over the 10 year planning period.

Council will need to invest \$1.67m (smoothed) each year to replace the current fleet as it comes to the end of its useful life to maintain the current service potential.

3 INTRODUCTION

3.1 Background

The fleet service management plan is to demonstrate responsible management of services provided by Lockyer Valley Regional Council's assets, compliance with regulatory requirements, and to communicate funding needed to provide the required service over a 10 year planning period.

This service management plan is to be read in conjunction with:

- Lockyer Valley Regional Council Corporate Plan 2017-2022
- Lockyer Valley Regional Council Operational Plan 2017-2018

3.2 Council's goals and objectives for fleet services

Council operates and maintains the fleet to achieve the following strategic objectives:

- Meet legislative requirements
- Ensure that Council's fleet services and assets are provided in a sustainable manner, with the appropriate service to customers
- Safeguard Council assets including physical assets and employees by implementing appropriate management strategies and providing appropriate financial resources for those services
- Ensure resources and operational capabilities are identified and responsibility for service delivery and management is allocated
- Ensure that the fleet service provides functionality and reliability
- Ensure the fleet is planned appropriately to cater for current and future service delivery, growth and risk mitigation
- Maximise the asset's useful life whilst minimising lifecycle expenditure
- Provide fit for purpose plant and fleet items to internal business units to allow Council to deliver a full suite of services across the region

3.3 The purpose of the fleet services management plan

The purpose of this plan is to:

1. Improve our understanding of the fleet assets and services managed
2. Improve the organizational capabilities for the management of the fleet assets and services they provide
3. Improve confidence levels in programs for replacement and maintenance regimes
4. Define funding requirements to operate the fleet service to agreed standards
5. Identify how Fleet assists LVRC to provide services to the community

3.4 Corporate Plan and Operational Plan linkage

Lockyer Valley Regional Council – *'Operational Plan 2017-18, Lockyer Planned – we have unique, well connected communities. We have places that bring people together. Local services match the needs of the community. Our built infrastructure is designed and constructed to enable access for all'*.

The Operational Plan captures key projects and priorities for a financial year to ensure Council delivers the outcomes and commitments of the Corporate Plan 2017-2022.

Operational Plan Outcomes relevant to the provision of Fleet Services are:

- 4.2 Provision of fit-for-purpose infrastructure which meets the current and future needs of the region.

Operational Plan 2017-18 deliverable

4.2.4 Review and update the Service Management Plan for the Plant and Fleet Business Unit.

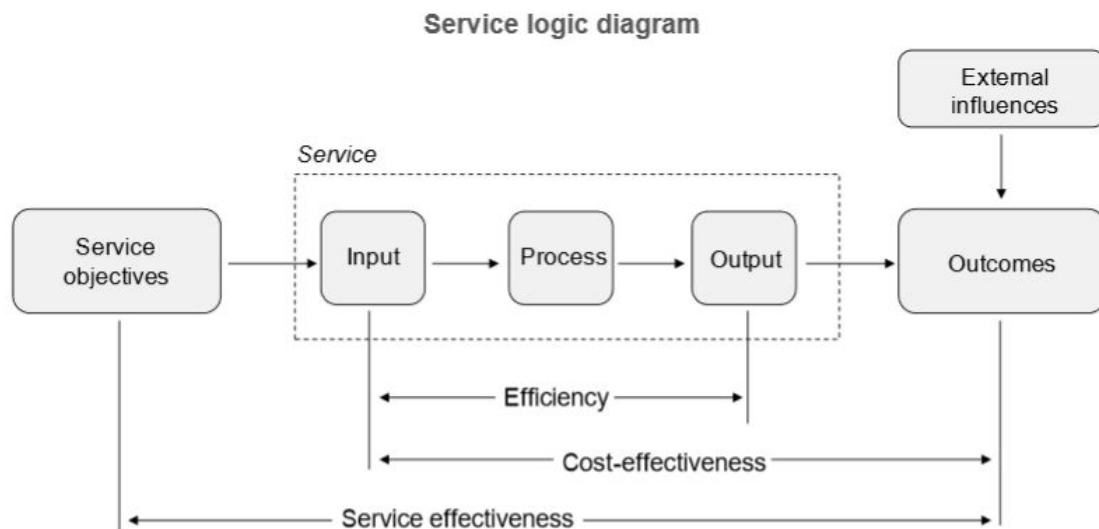
KEY PERFORMANCE INDICATOR	DESCRIPTION OF MEASURE	SOURCE OF VALIDATION DATA	RESPONSIBILITY	KEY RISK CATEGORY	TARGET
Service Management Plan adopted by Council	Plan reviewed and updated	Council business papers	Infrastructure Works and Services	IA1 – Infrastructure and Assets	2017/18

Figure 1-4 Operational Plan – deliverable

4 SERVICE LOGIC

In relation to Fleet services the service logic model has been applied to define:

- service objective
- inputs
- activities
- outputs
- desired outcomes



Source: Queensland Audit Office adapted from Report on Government Services 2015, Productivity Commission

Figure 1-5 Service Logic Diagram – Queensland Audit Office

4.1 Service Objective

Lockyer Valley Regional Council has quality, appropriately maintained fleet that complies with regulatory requirements and is fit-for-purpose to provide services to the community. The fleet will be operated and maintained in a manner that protects Councils organizational reputation, displays a positive public image and is sustainable.

4.1.1 Inputs

The table below details the current operational inputs to deliver the Fleet service.

Table 1-2: Fleet Services – Inputs (Operational)

Financial (2017/18 FY)		
Labour		\$699,854
Goods and Services		\$1,880,701
Plant		\$131,782
Depreciation		\$1,032,000
Total		\$3,744,337
Physical		
Labour	Plant and Fleet Coordinator	1
	Workshop Foreman (Trades person)	1
	Diesel Fitters (Trades person)	4
	Diesel Fitter (Apprentice)	1
	Boilermakers (Trades person)	2
	Trades Assistant	1
	Total	10
Plant	Utilities	2
	Light Truck	1
	Forklift (shared with depot and stores)	0.5
	Total	3.5
Facilities	Workshop	1
	Total	1

Table 1-3: Fleet Services – Inputs (Capital) as at 30 June 2017

Renewal \$ (10 year) required	\$21,443,000
Disposals \$ (10 year)	\$4,653,000
Nett	\$16,790,000
LTFP (current)	\$17,472,000
Surplus (10 year)	\$682,000
10 year smoothed (nett)	\$1,670,000

4.1.2 Activity

Table 1-4: Fleet Services – current activities and labour requirements

Activity	Description	FTE's
Repairs and maintenance	Repairs and maintenance includes all activities not considered as original equipment manufacturers recommended servicing requirements. Includes breakdowns, component rebuilds, modifications, tyres and windscreens, auto electrical and unfair wear and tear. All work undertaken to equipment not deemed scheduled servicing.	5
Scheduled servicing	Original equipment manufacturers recommended scheduled servicing based on either time or kilometres/hours. Returning the vehicle serviced and cleaned to the customer.	3
Fabrication	Repair of damaged or worn equipment components to return them to a serviceable condition utilising the boilermaker trade functions. Modification to various items of plant to customer's specifications.	1.5
Capital	All work associated with the renewal, procurement and disposal of fleet items. Includes all work to bring the equipment to an operationalized state.	0.5

4.1.3 Outputs

The outputs from the Fleet service can be defined as either operational or capital in nature. Operational outputs are those activities that keep the fleet in a state of operational availability. Capital activities are those related to the renewal and planning for the organizations fleet requirements to meet agreed service standards to the community.

4.1.3.1 OPERATIONAL OUTPUTS

Table 1-5: Mechanical effort – servicing and repair (operational output)

Plant Type	No. Repaired or maintained items	% of total repairs and maintenance effort	Labour Hours
Heavy trucks	26	33.37%	3878
Light commercials	62	11.65%	1354
Light trucks	26	7.85%	912
Heavy trailers	11	7.55%	877
Loaders	4	4.43%	515
Graders	4	4.11%	478
Passenger vehicles	23	4.10%	476
Tractors	10	3.87%	450
Misc. plant	98	3.55%	412
Backhoes	4	3.55%	412
Slashers	9	3.27%	380
Light trailers	64	3.16%	367
Rollers	11	3.10%	360
Mowers	25	2.78%	323
Excavators	3	1.02%	119
State emergency service	12	1.01%	117
Wide area mowers	2	0.98%	114
Skid steer loaders	2	0.61%	71
Forklifts	2	0.05%	6

*2016/17 data used for the mechanical effort analysis, % split based on cost.

4.1.3.2 CAPITAL OUTPUTS

The following quantities of fleet are to be replaced during the 2018/19 financial year:

- 4 x Heavy trucks
- 2 x Medium trucks
- 1 x Vibratory roller
- 5 x Mowers (4 x zero turns & 1 x wide area mower)
- 1 x Multi tyred roller
- 11 x Light commercial vehicles
- 4 x Passenger vehicles

4.1.3.3 OUTCOMES

The desired outcomes for Council maintaining the Fleet business is the ability to deliver services across the region in a sustainable manner. To do this Council needs access to an appropriate, fit for purpose, reliable fleet that is matched to the type and quantity of services that are delivered.

Table 1-6: Fleet Services – Identified outcomes

Activity	Outcomes	Performance Measure	KPI
Plant and vehicle repairs and maintenance	Plant and Fleet will be available to deliver services	Equipment requiring >2 days repair time will be discussed with our customers as to timing of repairs if not urgent or compromising safety	<5 instances where plant is not available for >2 days
Plant and vehicle servicing	Plant and fleet items will be reliable	No. of scheduled services undertaken	100% of OEM's scheduled services undertaken
Fabrication services	Plant and fleet items will be reliable and comply with WH&S requirements	Equipment requiring >2 days repair time will be discussed with our customers as to timing of repairs if not urgent or compromising safety.	<2 instances where plant is not available for >2 days
Capital	Plant and fleet items will be provided at the lowest possible whole of life costs, to minimise the financial burden on ratepayers	Capital renewal program will be completed within agreed timeframes	90% of the fleet capital budget will be expended in the financial year

4.1.3.4 LOCAL GOVERNMENT INFRASTRUCTURE PLAN

The information contained within this Service Management Plan does not contain any data relating to the Local Government Infrastructure Plan. It has been assumed that future infrastructure requirements required because of population growth and identified within the LGIP will be provided as contributed assets by others, either directly, or through infrastructure charges levied by Council to provide infrastructure at a later date.

5 FUTURE DEMAND

5.1 Demand Forecast

Demand drivers for fleet services include the type and quantity of services Council delivers to the community. The services in turn are influenced by; population projections, demographics, seasonal factors, consumer preferences and expectations, economic factors, agricultural practices, environmental awareness, etc. Known demand impacts for the Lockyer Valley in relation to impacts on service delivery are summarised in Table 1-7.

Table 1-7. Demand Factors

Demand factor	Present position	Projection	Impact on services
Population	38,312 persons (2014)	Increase population to 63,000 by 2031.	Increased demand for services (based on projected population position).
Demographic	Median age 37 (2011)		An aging population will have a nominal increase in the need for infrastructure services, principally associated with access. (E.g. footpaths, access to buildings and facilities, aged care, medical services etc.)
Tourism	Approximately 304,000 visitors per annum.		Tourism increases will result in a nominal increase in usage of infrastructure, particularly those providing access to and servicing tourist attractions.
Housing	In 2015, 260 residential dwellings were approved.	Potential infill housing and take up of current land stocks.	New dwelling starts across the region do not indicate significant demand for additional infrastructure assets or services; however Council will need to maintain contributed assets.

Demand for new fleet services will be managed through a combination of managing existing assets, upgrades, provision of new assets to meet demand and demand management. Demand management practices may include non-asset based solutions, insuring against risks, appropriate risk mitigation strategies and managing failures.

Table 1-8. Demand Management Plan Summary

Service Activity	Demand Management Plan
Demand for new fleet items not previously held	<ul style="list-style-type: none"> ▪ Business case developed with all options considered including delivering services from non-asset based solutions ▪ Review current fleet holdings for excess capacity
Infrastructure green from growth	<ul style="list-style-type: none"> ▪ Fleet holdings matched to service delivery ▪ Flexible approach to fleet services with fleet held to provide core service delivery and peaks in outputs managed by non - owned fleet solutions
Revenue Management	<ul style="list-style-type: none"> ▪ Manage financial resources to correlate with trending deterioration of assets and commit to fleet replacement program appropriately funded
Increased fleet age	<ul style="list-style-type: none"> ▪ Accept proposed fleet useful lives contained in the SMP ▪ Ensure effective maintenance regimes are undertaken ▪ Review utilisation to ensure that fleet holdings are 'right sized' for Councils agreed service provision

6 RISK MANAGEMENT

Council has a 'duty of care' to the community in relation to the management of all assets. This covers the various phases of supply, commissioning and use of the fleet assets through to operations and maintenance of the assets.

The risk management framework derives from:

- Risks associated with the loss of service by the failure of critical assets
- Financial risks from a lack of due diligence in the management of funding for the renewal, maintenance and operation of the assets to provide agreed levels of service
- Operational risks where data and information are not used to competently manage the risks associated with the delivery of fleet related services i.e. maintenance practices, replacement programs, regulatory inspections, environmental harm mitigation.

6.1 Risk Assessment

Council undertakes regular inspections of all its fleet assets. Original equipment manufacturers recommended service schedules are adhered to. The heavy truck fleet is inspected fortnightly as an increased level of servicing to ensure that our highest risks are managed.

6.2 Risk Treatment

The risk treatments nominated in Table 1-9 have regard for a practical approach to risk management based on:

- Available resources, (and skills);
- Funding; and
- Fleet needs based on the magnitude and consequence of the risk.

The treatments have regard for the factors that Council can capably manage to ensure that the risks are minimised.

Table 1-9 records the critical risks (as identified) for incidents with the fleet assets, together with the cause, likelihood, risk rating and risk treatment, (both short and long term). It is not possible to identify all possible risks.

Table 1-9. Critical Risks/ Incidents and Treatments for Fleet Assets

ASSET AT RISK	RISK ID	CRITICAL INCIDENT	CAUSE	LIKELIHOOD	RISK RATING	RISK TREATMENT PLAN
Fleet Item	F01	Engine failure	Age/condition of item leads to catastrophic failure	Possible	Moderate	<ul style="list-style-type: none"> Addressed through fleet replacement program, if failure occurs, beyond economic repair analysis undertaken to determine whether or not engine replacement is viable
Fleet Item	F02	Major component failure	Age/condition of item leads to catastrophic failure	Possible	Moderate	<ul style="list-style-type: none"> Addressed through fleet replacement program, if failure occurs, beyond economic repair analysis undertaken to determine whether or not component replacement is viable
Fleet Item	F03	Vehicle damage	Traffic accident	Possible	Moderate	<ul style="list-style-type: none"> Report to police immediately (potentially) Insure
Fleet Item	F04	Vehicle damage	Wilful	Possible	Moderate	<ul style="list-style-type: none"> Address through employee 'Code of Conduct' Report to police immediately (if required) Insure
Fleet Item	F05	Brake failure	Failure of component	Possible	Moderate	<ul style="list-style-type: none"> Addressed through regular servicing, increased servicing on heavy truck/trailer fleet
Fleet Item	F06	Item stolen	Theft of fleet item	Possible	Low	<ul style="list-style-type: none"> Report to police immediately GPS tracking in vehicle will aid recovery Minor items - address through employee 'code of conduct' Investigate Insure

7 DATA AND PARAMETERS

7.1 Adopted Useful Lives and Residual Values of Fleet Assets

A fleet asset's useful life is defined as a period over which the asset is operated to a point where it becomes cost prohibitive to keep the asset in service or the derived level of service has declined to an unacceptable level (i.e. the equipment is no longer reliable).

The remaining useful lives of the fleet assets are based on:

- Calculated from acquisition dates and adopted asset lives
- Moderated by local experience of plant and fleet in service within the LVRC region

Council's adopted useful lives and anticipated residual value based on percentage of the original purchase price at time of disposal for each asset type are shown in Table 1 -10 below.

Table 1-10. Fleet Asset Lives and Residual values (Adopted)

Plant Type	Life	% Residual
Agricultural Tractors	10	25%
Backhoes	10	20%
Excavators	10	20%
Loaders	12	20%
Graders	12	25%
Rollers (Vibratory)	12	20%
Rollers (Multi - Tyred)	15	15%
Skid Steer Loaders	5	20%
Slashers (Implement)	10	5%
Mowing Equipment	6	15%
Specialised Plant - (Road Stabilisation Unit)	10	10%
Specialised Plant - (Wide Area Mowers)	7	15%
Specialised Plant - (Truck Mounted Crane)	10	0%
Heavy Truck (22,500 GVM)	12	20%
Medium Truck (8001 to 16000 GVM)	12	20%
Light Truck (5000 to 8000 GVM)	12	20%
Heavy Trailers (over 4000 GVM)	15	20%
Medium Trailers (1000 to 4000 GVM)	15	10%
Light Trailers (under 1000GVM)	15	10%
Light Commercial Vehicles	5/ (200,000 km)	25%
Passenger Vehicles	5/ (150,000 km)	25%
SES Vehicles and plant	10	20%
SES Trailers (other than boat trailers)	15	10%

The useful lives contained within Table 1-10 are generally slightly higher than the standard local government industry accepted useful lives for fleet assets, however these adopted lives have been proven to be acceptable based on the Councils own experience of operating this equipment in service over many years in the local environment.

7.2 Maintenance Strategies

Council services and maintains the fleet assets in line with Original Equipment Manufacturers recommendations as well as consults with internal customers to ensure continuity of service delivery to our internal and external customers. Council understands the local operating conditions and ensures that high risk plant items receive an increased level of servicing to ensure they remain in a safe and serviceable condition for operational service delivery throughout the region.

7.3 Replacement Plan

This plan provides indicative program information for the renewal of fleet assets. The replacement plan can be found in Table 1-11 on pg. 17 of this SMP.

7.4 Disposal Plan

No assets have been identified for possible decommissioning and disposal; rather all current fleet assets would be replaced at the end of their economic life or if they were to fail prematurely. The State Emergency Service boats and trailers are no longer included in the replacement schedule of this plan as this plant is a state responsibility and funded by them.

8 FLEET ASSET ANALYSIS

8.1 Assumptions

This section details the key assumptions made in presenting the information contained in this service management plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the analysis and forecasts. In the preparation of replacement forecasts and programs it has been assumed the Council will continue to deliver fleet services in the current manner and at the current levels.

This Plan is based on:

- valuation data held in Technology One as of 30 June 2017;
- Current fleet holdings

Further, this plan will need to be updated annually to reflect changes to fleet inventory, values and fleet management practices.

Key assumptions made in this service management plan are:

- SMP is adopted and implemented
- Replacement strategy will be adopted and funded
- Funding priorities are based on bringing the fleet replacement into line with the requirements of this SMP
- Existing maintenance funding levels will be maintained
- No sudden extensive changes in current fleet management practices
- Expected and adopted asset useful lives will be achieved

9 FLEET ASSET FINANCIAL ANALYSIS

9.1 Expenditure projections for long term financial plan

Table 1-11 funding requirements (10 Year) for renewals

	Overdue		2018		2019		2020		2021		2022		2023		2024		2025		2026		2027	
Earthmoving	\$180,000	\$36,000	\$785,000	\$178,250	\$470,000	\$94,000	\$470,000	\$94,000	\$1,485,000	\$318,250	\$1,075,000	\$236,250	\$360,000	\$72,000	\$605,000	\$142,250	\$110,000	\$22,000	\$710,000	\$142,000	\$180,000	\$36,000
Forklift	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Light Commercial	\$750,000	\$187,500	\$0	\$0	\$232,000	\$58,000	\$168,000	\$42,000	\$252,000	\$63,000	\$298,000	\$74,500	\$790,000	\$197,500	\$0	\$0	\$232,000	\$58,000	\$168,000	\$42,000	\$316,000	\$79,000
Mowers	\$65,000	\$5,750	\$135,000	\$20,250	\$5,000	\$750	\$5,000	\$750	\$45,000	\$5,750	\$135,000	\$20,250	\$40,000	\$6,000	\$0	\$0	\$180,000	\$23,000	\$5,000	\$750	\$55,000	\$6,250
Passenger Vehicles	\$540,000	\$135,000	\$90,000	\$22,500	\$90,000	\$22,500	\$180,000	\$45,000	\$90,000	\$22,500	\$135,000	\$33,750	\$405,000	\$101,250	\$172,000	\$43,000	\$90,000	\$22,500	\$180,000	\$45,000	\$90,000	\$22,500
SES	\$5,000	\$500	\$0	\$0	\$0	\$0	\$190,000	\$44,000	\$180,000	\$45,000	\$60,000	\$15,000	\$0	\$0	\$95,000	\$22,000	\$65,000	\$15,500	\$60,000	\$15,000	\$180,000	\$45,000
Tractor	\$0	\$0	\$0	\$0	\$180,000	\$45,000	\$90,000	\$22,500	\$90,000	\$22,500	\$0	\$0	\$90,000	\$22,500	\$90,000	\$22,500	\$180,000	\$45,000	\$0	\$0	\$90,000	\$22,500
Trailers	\$9,000	\$900	\$0	\$0	\$3,000	\$300	\$165,000	\$31,500	\$0	\$0	\$114,000	\$18,900	\$99,000	\$17,400	\$162,000	\$31,200	\$12,000	\$1,200	\$99,000	\$17,400	\$87,000	\$16,200
Trucks	\$1,632,000	\$326,400	\$0	\$0	\$384,000	\$76,800	\$302,000	\$60,400	\$1,108,000	\$221,600	\$1,190,000	\$238,000	\$164,000	\$32,800	\$660,000	\$132,000	\$900,000	\$180,000	\$340,000	\$68,000	\$0	\$0
TOTAL	\$3,181,000	\$692,050	\$1,010,000	\$221,000	\$1,364,000	\$297,350	\$1,570,000	\$340,150	\$3,250,000	\$698,600	\$3,007,000	\$636,650	\$1,948,000	\$449,450	\$1,784,000	\$392,950	\$1,769,000	\$367,200	\$1,562,000	\$330,150	\$998,000	\$227,450

	Jun 16	Jun 17
Renewal \$ (10yr)	\$21,855,000	\$21,443,000
Disposals \$ (10 yr)	\$4,416,750	\$4,653,000
Nett	\$17,468,250	\$16,790,000
LTFP Surplus Deficit (10 yr)	\$13,107,000	\$17,472,000
	-	
	\$4,361,250	\$682,000

9.2 Financial Recommendations

One of Council's main objectives is to deliver agreed levels of service to its customers; fleet is an enabler of this service provision. To do this Council must continue to renew its fleet assets and keep them in an operable state, continue to maintain the items to ensure reliability and reduce risk. Council continuously looks for more efficient means of delivering services to the community at the lowest possible unit cost. Through a focus on understanding Councils provision of services to the community, Fleet has been undertaking reviews and rationalisation to support efficient and effective service delivery across the organisation and region.

The funding allocations set out in the currently adopted long term financial plan align well with the forecast and planned expenditure for fleet business.

10 PLAN IMPROVEMENT AND MONITORING

10.1 Performance Measures

The effectiveness of the service management plan can be measured in the following ways:

- The degree to which the required cash flows identified in the development of the final Plan are incorporated into Council's long term financial plan and Community/Strategic Planning processes and documents,
- The degree to which the detailed replacement programs are implemented
- The Asset Renewal Funding Ratio achieving the target of 1.0.

10.2 Improvement Plan

A service management improvement plan generated from this service management plan is shown in Table 1-11.

Table 1-11 Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1.	Undertake an annual review and update of this SMP	John Keen		1sr qtr. 2018

10.3 Monitoring and Review Procedures

This Plan will be reviewed prior to budget preparation and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of the budget decision process.