BARNSLEY METROPOLITAN BOROUGH COUNCIL

REPORT OF: **EXECUTIVE DIRECTOR OF GROWTH AND SUSTAINABILITY**

TITLE: **VEHICLE REPLACEMENTS 2024/25**

REPORT TO:	**CABINET**
Date of Meeting	**3 APRIL 2024**
Cabinet Member Portfolio	**ENVIRONMENT AND HIGHWAYS**
Key Decision	**Yes**
Public or Private	**Public**

Purpose of report

To request approval for the 2024/25 Fleet Vehicle Replacement programme in line with the Vehicle Replacement Strategy 2019/25, (Cab.20.2.2019/10).

Council Plan priority

- Sustainable Barnsley, Healthy Barnsley, Enabling Barnsley

Recommendations

That Cabinet: -

1. Authorise the procurement of up to 53 new vehicles, including plant equipment in 2024/25, to be used by council departments and partner organisations, with a value of up to £4,053,000, through purchase followed by a sale and lease back arrangement or whichever method of funding is deemed appropriate following full financial appraisal.

2. To procure additional vehicles, included in the number above, which reduce dependency on short-term hire vehicles, which will improve resilience and reduce overall financial burden to the authority once full financial appraisal has occurred.

3. To conditionally authorise procurement of a further 15 vehicles, with a value of £460,000 these 15 vehicles are not currently funded, and procurement will not take place unless funding is confirmed.

    - 13 of these are to replace aging frontline equipment that is owned by the council and operated by Neighbourhood Services. There is no current budget associated with these assets for replacements. No procurement will take place until a business case demonstrating the requirement for the vehicle/plant is reviewed and the required funding is confirmed as being

available through appropriate governance channels.

- 2 of these have been requested by Facilities Management and Independent Living at Home. These are additional to the current fleet. No procurement will take place until a business case demonstrating the requirement for the vehicle is reviewed and the required funding is confirmed as being available through appropriate governance channels.

4. Support a fleet operational & financial review, to determine the council's vehicle requirement over the period of the MTFS, using a zero basis. This review will support the new Vehicle Replacement Strategy which considers changes to legislation, delivery of statutory services and compliance with the vehicle operator's licence. It will also consider the effects to the MTFS, looking to ensure that the VRP keeps within the approved budgets for the foreseeable future.

1. INTRODUCTION

1.1 This report seeks approval to implement a programme for 2024/25 which will allow the fleet to contribute to the transformation of the council and the 2030 Sustainable Barnsley objective wherever possible.

1.2 It plans to procure a total of up to 68 vehicles, plant, and equipment. See proposal at section 2 for the vehicle types and breakdown of funding streams.

1.3 The 68 units have been broken down into four categories:

- **Fleet Replacement** – these are replacements of existing fleet assets.
- **Transformation Fleet Changes** – these are transformational changes to how the fleet is sourced that will reduce costs over the lifetime of the assets.
- **Fleet Replacement (Vehicles not currently managed as Fleet Assets)** – these are replacements for existing council assets that are proposed to be managed as fleet assets but are not currently fully funded.
- **Additional Fleet** – these are proposed additional fleet assets.

1.4 53 of the units detailed have assumed funding, 15 do not currently have full funding in place – these will not be procured until the required budgets are sourced.

1.5 13 of the 15 units without full funding in place are to replace existing aging front line plant and equipment items that are owned by the council and operated by Neighbourhood Services. There is currently spend to maintain the existing assets, however there is no budget to fund the future maintenance or leasing of new ones. Previously these were funded through in year revenue savings, however due to the increase in costs of the units this is not feasible going forward. The 2 remaining units are vehicles requested by Facilities Management_ and Independent Living at Home that are additional to the fleet, there is currently no funding for these vehicles, procurement will not take place until each service can demonstrate the appropriate funding can be made available.

1.6 Tables 1a and 1b below shows a breakdown of the capital request by department.

Table 1a – Replacement Fleet

User/ Department/ Customer	Number (Potential ULEV)	Capital cost	Extra cost for ULEV	Total capital cost
Neighbourhood Services	5(0)	£183,000	£0	£183,000
Sub-Total	**5(0)**	**£183,000**	**£0**	**£183,000**

Table 1b – Transformation Fleet Changes(A), Additional Fleet (B) and Fleet Replacement (not fleet assets) (C)

User/ Department/ Customer	Number (potential ULEV)	Capital cost	Extra cost for ULEV	Total capital cost
Berneslai Homes (B)	10 (0)	£400,000	£0	£400,000
Fleet Pool (A)	12 (0)	£440,000	£0	£440,000
Highways (A)	1 (0)	£30,000	£0	£30,000
Travel Assistance (B)	15 (0)	£1,200,000	£0	£1,200,000
Waste (A & B)	10 (0)	£1,800,000	£0	£1,800,000
Sub-Total	**48 (2)**	**£3,870,000**		**£3,870,000**
Vehicles Currently Unfunded				
Facilities Management (B)	1 (1)	£25,000	£10,000	£35,000
Independent Living at Home (B)	1 (1)	£25,000	£10,000	£35,000
Neighbourhood Services (C)	13 (0)	£390,000	£0	£390,000
Sub-Total	**15 (2)**	**£440,000**	**£20,000**	**£460,000**

Total	**68 (2)**	**£4,493,000**	**£20,000**	**£4,513,000**

1.7 There are a total of 46 vehicles on order awaiting delivery from the 2023/24 vehicle replacement programme. These have a value of £4.910M. Vehicles from this programme will continue to be ordered to the end of the 2023/24 financial year. These do not contribute to the 68 vehicles or funding request in this report.

MTFS – Transformation Overview

The Need for Procurement

1.8 Fit for purpose vehicles are required and used to deliver statutory services across the borough e.g. waste collection and Highway maintenance. Operation and Maintenance of the vehicles must comply with the requirements of our Operators Licence.

1.9 Efficient and effective vehicle resilience relies on an annual percentage increase of new fleet to replace aging and worn-out units, this prevents poor availability, peak and trough reactive spending, where at some point large numbers of the fleet would need replacing. The industry recognises that extending vehicle lives also increases maintenance costs, reduces vehicle availability and residual value.

1.10 As part of our commitment to work towards the Council's 2030 sustainable and enabling Barnsley objectives the procurement will continue to source cleaner more efficient vehicles.

Fleet Transformation Actions

1.11 Notwithstanding the points raised above during 2023/24 a sample survey identified that we had 113 hire vehicles in use. The independent Fleet transformation review determined that a saving could be made by reducing several expensive hire vehicles and replacing with our own fleet vehicles where the cost of hire exceeded the cost of ownership over the working life span of the vehicle. For e.g. using an assumed 5% CPI increase of hire per year and a 5% increase in own vehicle maintenance costs

26t RCV	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
Cost for BMBC Vehicle	£49,000	£49,865	£50,773	£51,726	£52,728	£53,779	£54,883	£362,756
Cost for Hire Vehicle	£49,500	£51,975	£54,573	£57,302	£60,167	£63,175	£66,334	£403,026

The above table evidences a BMBC owned 26t RCV life of vehicle saving of £40,270 x6 RCV'S = a 7-year saving of £241,620

1.12 Procurement of replacement vehicles will consider the predicted whole life cost of vehicles – purchases will not be made based solely on the initial price.

1.13 The previous VRP report highlighted the strategic objectives of supporting Sustainable Barnsley this remains a key focus of Fleet management but unfortunately the price of Electric Vehicles averages across our fleet demographic as costing 55% more than Euro 6 internal combustion engine (ICE) alternatives, procurement of EV's at this time would place an unreasonable and unaffordable pressure on the approved Fleet Budget.

1.14 Already contributing towards the 2030 Sustainable Barnsley objective, the Council operates 36 zero tailpipe emission electric vehicles. This will continue to be reviewed and should Electric Vehicles be affordable, they will be procured ahead of ICE vehicles.

1.15 Contributing to the wider MTFS challenge Fleet have introduced a Driver Coaching programme to improve driving standards and increase miles per gallon by up to 10% (DfT Efficient Driving report 2016) thereby reducing our overall fuel consumption.

Operational Fleet Review

1.16 Recognising the longer term MTFS challenges BMBC Fleet optimisation and utilisation will be reviewed as part of the Transformation process (phase 2) to consider options to reduce the amount of Vehicle off Road (VOR) time due to

poor utilisation or maintenance. The outcome may identify the opportunity to reduce the Fleet strength and mitigate rising costs.

1.17 The aim of this review is to use data (Telematics) to understand the full utilisation and therefore efficiency of each vehicle. Secondly it will factor in the specific role and usage of that vehicle to determine if the asset could become a shared resource and mean that we may be able to reduce fleet size and increase utilisation.

1.18 The Operational review will consider that the Government have announced that they will ban sales of new petrol and diesel cars and vans in 2035 and larger vehicles in 2040. The council has also set a target to be carbon neutral by 2040.

1.19 The operational review will also consider if any new vehicles are required considering the current macro-economic constraints.

Budget Fleet Review

1.20 In previous years the ability to absorb inflationary increases has been managed by challenging the supply chain process to obtain a better than forecasted price. For example, one supplier had offered a previous 29.5% discount, but they have significantly increased the base price of the product e.g. one unit example has increased by £6k in the last 6 months reducing the overall discount benefit.

1.21 Even by achieving competitive prices for replacement vehicles, the council are still paying more for replacement vehicles. For example, a 26t RCV procured in 2015 was £165k in 2024/25 this now costs £196k a rise of 18.8%.

1.22 The council has experienced large price increases for parts/materials the independent review assessed this as approx.12.5% pa. This has a significant impact on the revenue budgets, funding fleet maintenance.

2. PROPOSAL

2.1 The proposed up to 68 vehicles and plant equipment are broken down as follows (See Appendix B).

2.2 **NB. Due to the ongoing transformation programme and MTFS position, it is possible that not all vehicles identified in this report will be required. This programme will be ongoing over twelve months meaning that procurement can be delayed until later in the year and cancelled should the requirement no longer exist.** Fleet services will need to be fully informed of the progress of all transformation work that affects any departments/vehicles detailed in table 1.

2.3 As a result of good management fleet vehicles are replaced on a rolling programme. This means that the full fleet is not replaced in one go, but batches are replaced annually, Allowing the council to increase or reduce the size of the fleet on an annual basis as required. The leasing arrangements

also give the council the opportunity to terminate leases early at a one-off cost or purchase vehicles out of lease to dispose of as appropriate. Recognising the current and future MTFS challenges this provides confidence ensuring that the council will not at any point need to keep vehicles for longer than operationally required.

2.4 It is important that the council continues with the annual rolling programme. This offers protection from unforeseen events in the supply chain. For example, the current shipping issues in the Red Sea are causing delays to the manufacture of new vehicles. If the Council did not have a rolling programme, or even skipped a year of the rolling programme these supply chain issues could cause serious operational difficulties, as older vehicles could not be kept on the road, leading to statutory services not being delivered and the need for expensive hire vehicles to provide a stop gap.

2.5 The costs used below are based on industry estimates – full appraisal will take place at time of procurement and the best financing option then selected. Due to the diverse and specialist nature of our fleet, accurate estimates are not available for all vehicle types until procurement. In all cases, the council will look at all options available (e.g. purchase, lease, contract hire) and select the most appropriate at that point in time. This is the successful methodology used on previous VRP's.

2.6 Where possible, tables have been included below to show the estimated difference in costs between having a fleet vehicle and a hire vehicle (assuming the vehicle is required for its full life). For some vehicle types it is not possible to include estimates at this early stage as it would involve approaching the market with specifications and usage profiles. in all cases full evaluation will take place prior to procurement.

<u>Fleet Replacement</u> (5 units)

2.7 5 units are to replace existing Fleet plant assets. See Appendix B itemised list of assets. They have exceeded their cost-effective lifespan are proving unreliable. If the life of these assets were to be extended, the council would face additional maintenance costs, potential issues sourcing replacement parts (or needing to fabricate unique parts) and increased downtime, operator reducing productivity.

<u>Transformation Fleet Changes</u> (36 units)

2.8 21 of the additional vehicles are direct replacements for vehicles that are currently hired and have proved not to be a cost-effective strategy. Therefore, the vehicles in the table below will demonstrate an overall whole life saving of £1,629,581 (not including maintenance costs). These will be funded by reallocating existing agreed fleet budgets. (NB These savings are contributing to the department Transformation process i.e. contributing an annual average of £24k of a required £35k saving

The x8 RCV's are required for Domestic Waste to assist with delivery statutory services. The requirement for these RCVs would usually be fulfilled

by short term hire vehicles. The 13 remaining vehicles are allocated to Neighbourhoods and Highways to cover Statutory and additional services. Should some of the additional services cease to be provided or reduce the fleet can be adjusted to accommodate on an annual basis.

Unit	Leasing cost of a fleet vehicle (First year)	Cost of a hire vehicle (First year)	First year saving	Anticipated whole life saving
6x **RCV 26000kg**	£33,000	£49,500 (9 months)	£16,500	£172,029
2x **RCV 18000kg**	£26,400	£49,400	£23,000	£217,415
10 x **Pickup Light (S/Cab)**	£5,775	£10,400	£4,625	£28,591
2x **Messing Unit**	£7,425	£18,200	£10,775	£63,441
1x **4x4**	£4,950	£6,250	£3,300	£19,785

2.9 15 are additional vehicles for the Home to School Transport Service and their policy is to bring routes in house (where it is economical to do so) to reduce cost and relieve pressures on service delivery caused by external market pressures, this is considered as part of the 2024/25 budget demographic allocation.

Unit	Leasing cost of a fleet vehicle (First year)	Cost of a hire vehicle (First year)	First year saving	Anticipated whole life saving
15 x **Minibus (16 Seat, Wheelchair Accessible)**	£13,200	£23,000	£9,800	£94,886

<u>Fleet Replacement (Vehicles not currently managed as Fleet Assets)</u> (13 Units)

13 units are to replace legacy Neighbourhood Services assets that were bought outright which have exceeded their original lifespan and more and are now unreliable, higher maintenance and in some cases, parts must be fabricated as they are no longer available. Funding will need to be identified before any procurement takes place.

<u>Additional Fleet</u> (14 units)

2.10 2 units are additional vehicles to facilitate growth in service demand for domestic waste. This funding is allocated as part of the 2024/25 budget demographic allocations for waste services.

2.11 10 vehicles are for Berneslai Homes to accommodate residential housing growth. The requirement and business case for these vehicles are the

responsibility of Berneslai homes to contribute to their operating model. Fleet services recover all purchase and maintenance costs.

2.12 The units detailed below in paragraphs 2.13 and 2.14 do not currently have any budget available for procurement. They are included in the report so that authorisation has been granted to procure them should funding be sourced. No procurement will take place until a business case demonstrating the requirement for the vehicle is reviewed and the required funding is confirmed as being available through appropriate governance channels.

2.13 2 units are additional vehicles to facilitate growth in service demand for Facilities Management and Independent living at Home. As these units are additional to the existing fleet, funding will need to be identified before any procurement takes place.

Unit	Leasing cost of a fleet vehicle (First year)	Cost of a hire vehicle (First year)	First year saving	Anticipated whole life saving
2x **Panel Van (Small)**	£4,125	£5,750	£1,625	£11,147

3. IMPLICATIONS OF THE DECISION

3.1 Financial and potential Risks

3.1.1 Consultations on the financial implications have taken place with representatives of the Director of Finance (S151 Officer).

CAPTIAL

3.1.2 This report outlines the proposal to purchase up to 68 new vehicles and items of equipment during 2024/25. The total capital cost is estimated to be in the region of £4.513M (Table 1a and 1b). There is also anticipated slippage of £4.910M for replacement vehicles carried over from the 2023/24 capital programme. Totalling £9.423M for 2024/25. This is subject to change dependent on vehicle delivery dates.

3.1.3 In previous years, the approach adopted has been to purchase the vehicles through capital receipts and following physical delivery, to finance them over a period of 4 to 8 years reflecting the useful life of the vehicle. The finance or leasing costs are charged to the revenue account. Therefore, in respect of affordability and funding implications, the revenue budget is where the assessment is made.

REVENUE

3.1.4 It is estimated that the annual revenue leasing cost of financing the £4.513M expenditure above will be £0.745M. The leasing costs of the £4.910M vehicles ordered as part of the 2023/24 approved programme and scheduled for delivery in 2024/25 is £0.810M resulting in a total of £1.555M. This will be

reduced by £0.320M to £1.235M for the annual leasing commitments released when the leases for the replaced vehicles are terminated.

3.1.5 The table below summarizes the requirement for each vehicle category referenced in 2.7-2.14 above and identifies the required revenue requirements and the available funding source.

Reason for Procurement	Fleet Catagory	Number of Vehicles	Report Reference	Funding Type	Amount
Replacement of short term hire vehicles	Transformation Fleet Changes	21	2.7	Reallocation of existing agreed Fleet budgets	£0.328M
HtS additional internally delivered routes	Transformation Fleet Changes	15	2.8	2024/25 approved budget demographics	£0.198M
Waste Collection additional vehicles	Additional Fleet	2	2.9	2024/25 approved budget demographics	£0.046M
Replacement of existing vehicles/plant	Fleet Replacement	5	2.10	Existing agreed Fleet budgets	£0.030M
Berneslai Homes additional vehicles	Additional Fleet	10	2.11	Berneslai Homes/HRA budgets	£0.066M
Additional service requirement FM/ILAH/NS	Additional Fleet x 2 (FM/ILAH) Fleet Replacement (Not currently managed as Fleet Asset) x13 NS	15	2.13 &2.14	Unfunded. Resources to be identified before procurement	£0.077M
TOTAL		**68**			**£0.745M**

3.1.6 For all vehicles currently identified as unfunded, services will be required to demonstrate the requirement for these assets and that sufficient revenue budget is available to fund the expenditure, without having a detrimental effect on their current resource envelope.

POTENTIAL RISKS & OUTLOOK

3.1.7 The current estimated figures for the 2024/25 replacement programme show that it can be funded from the existing leasing budget. From 2025/26 onwards, the projections show potential increasing overspends year on year due to the higher capital costs of replacement BMBC vehicles which prior to any reviews

must be absorbed by the service. Increases in costs for partners vehicles can be passed on through increases in fees.

3.1.8 To counter rising vehicle costs, an operational and financial review of the vehicle replacement programme is required to ensure financial viability in future years. This will take place with the inclusion of both the fleet and financial service. This will include a review of how the current fleet is utilised with a view to maximising the use of assets, reviewing the criteria on which a vehicle is replaced and financial assessment of alternative financing/procurement options, as well as a financial review of current budgets and how they can be utilised differently to ensure provision for all statutory services. The aim of this review will be to sufficiently manage the fleet within an agreed budget envelope.

3.1.9 The projected vehicle numbers due to be replaced are subject to change, therefore the overspends will only materialise if all vehicles in the programme are received in the year in which they are identified to be purchased. Given the lead times for some of the vehicle's slippage is expected to occur leading to a re-phasing of the number of vehicles required in each year. In the unlikely event that they are all received in the relevant financial year then the numbers of vehicles due to be procured in later years will be re-evaluated.

3.1.10 Macro-economic conditions have resulted in considerable upward pressure on prices and interest rates. These may result in the actual leasing charges being higher than estimated. Any amounts that cannot be passed on to partners will result in additional pressure on the Fleet budget and/or other areas within the service, which will need to be operationally managed throughout the financial year.

3.1.11 Additional capital expenditure would be required in future years to increase the number of charging points for electric vehicles to support the increasing size of the electric fleet, this will be considered through the relevant governance channels if/when required.

3.1.12 Further details are set out in Appendix A. These implications are for 2024/25 only as further years are to be reviewed and approved through appropriate Governance channels in future years as set out above.

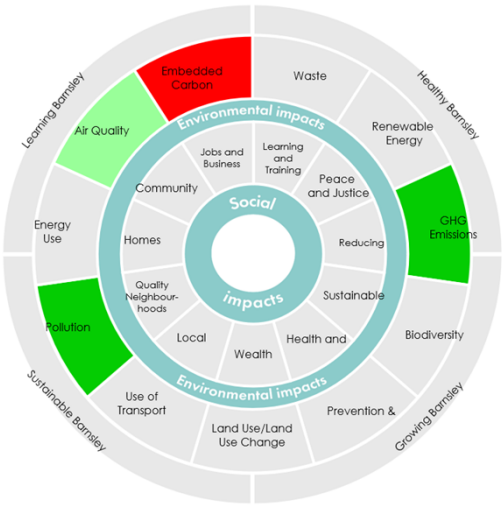
3.2 Legal

3.2.1 Operating older vehicles brings about increased risk for the Council on compliance with statutory legal requirements. This may impact on the Council's Operators Risk Compliance Score (OCRS) which could lead to. action against the Operator Licence. Such action could restrict the operation of part of its fleet, which would impact on the statutory services that can be delivered.

3.3 Equality

Not applicable – there will be no changes to the services the council provides because of vehicle procurement or replacement.

3.4 Sustainability



3.4.1 The Carbon wheel shows that replacing existing vehicles will have a high positive impact on GHG emissions and pollution. This is as a direct result of new vehicles meeting a higher emissions standard than the ones they are replacing, or diesel vehicles being replaced with electric.

3.4.2 The reduction in GHG emissions and pollution also has a low positive impact on the air quality of Barnsley – this is because of lower or no exhaust emissions from the Council's fleet as it carries out its work across the borough. Transport currently accounts for over 36% of total BMBC core carbon emissions. It is estimated that replacing diesel and petrol vehicles with electric vehicles would reduce emissions from transport by around 65% currently and by 76% by 2030 due to on-going decarbonisation of the UK's electricity supply. But this is absolutely dependant on affordability of EV vehicles.

3.4.3 Facilitating the take-up of EVs wherever possible is an important action within the Council's Air Quality Action Plan (https://www.barnsley.gov.uk/media/5738/barnsley-mbc-air-quality-action-plan-2017.pdf), along with a commitment to improving the Council's fleet. Procurement of EVs would demonstrate commitment to the Air Quality Action Plan and can act as an exemplar to other private and public fleet operators in the Borough of the environmental and operational benefits of such vehicles.

3.4.4 In 2019, the Council declared a Climate Emergency with a commitment for the Council to be zero carbon in its operations by 2040 (Zero40), and for the wider Borough to be zero carbon by 2045 (Zero45).

3.4.5 There is high negative impact on Embodied Carbon – to gain the benefits detailed above, new vehicles must be procured of which there is an element of embodied carbon.

3.4.6 In 2022 the council conducted a trial of Hydro-Treated Vegetable Oil (HVO) fuel; this is an alternative to diesel. The results of the trial were very successful, showing a significant drop in emissions. HVO was not introduced

to the full fleet at the time due to the additional cost. The Fleet Team will revisit HVO in the 2024/25 year to reassess the benefits and drawbacks, research will be undertaken by speaking to other councils that are currently using HVO for the full fleet.

3.5 Employee

3.5.1 Employees from user departments will be consulted along with management throughout the procurement process to assist in drawing up new vehicle specifications and assessing the suitability of vehicles.

3.5.2 Training for new vehicles will be requested as part of the procurement process for operators and technicians. The new vehicles will have significantly different technology to those they are replacing and to ensure that employees can use and maintain them safely and efficiently sufficient familiarisation and training will be provided.

3.5.3 Older vehicles increase the pressure on drivers as there have less driver safety aids and they are more difficult to drive; this increases the chance of a collision.

3.5.4 Newer vehicles and ULEVs produce less carbon and particulate emissions – meaning that there is a reduction in risk to the operative's health through inhalation of exhaust fumes.

3.5.5 Refer to paragraph 1.12 by improving driving standards, drivers will use less fuel, reduce wear, and tear on the vehicle and reduce carbon. This should lead to a reduction in collision damage and the need for virgin replacement parts.

3.6 Communications

3.6.1 The council's livery is very distinctive in Barnsley and the vehicles are visible all over the borough, some of these vehicles drive down every street in the borough at least once a week. Greater consideration should be afforded to using vehicle sides to market the council's key messages and priorities. It will be recommended that council departments routinely use this opportunity to promote the wider work of the council.

3.6.2 Communications are aware of the Vehicle Replacement Strategy and this report and will communicate as required. The further increase in ULEVs could be used as a positive marketing message for the council.

3.6.3 Recently, a marketing campaign to name the council's new fleet of new gritter has been highly successful, increasing awareness of the service provided and providing positive engagement with the public. Communications and Marketing will be made aware of all new vehicle deliveries and may consider advertising them on social media or running similar campaigns.

4. CONSULTATION

Name	Position	Sections Contributed to
Paul Castle	Service Director – Environment & Transport	All
Andrew Simpson	Head of Commercial and Operations Service Support	All
Ashley Gray	Strategic Finance Business Partner	All
Sandra Beaumont	Principal Accountant	All

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Alternative Option 1 - Do Nothing, Not Recommended.

Retain the vehicles detailed in Appendix B and extend them beyond their planned lifespan. This option is not recommended as it would lead to increases in maintenance costs, vehicle downtime and supplementary hire vehicles due to more complex repairs becoming necessary and expensive lease extension fees. This would adversely affect user departments' ability to provide front-line services and prevent the council benefiting from newer safety technology.

This option would also mean that the council would be required to continue using hire vehicles at a higher cost than procuring fleet vehicles. Failure to replace aging vehicles also results in a backlog of vehicle needing to be replaced which causes additional pressures to operations and budgets.

5.2 Alternative Option 2 – Use Hire Vehicles, Not Recommended.

Rather than procure fleet vehicles, the council could source external hire vehicles that can be returned at short notice. This option is not recommended as it would cost significantly more over the life of the vehicle. Also, at times demand for hire vehicles from other customers results in a lack of availability of short-term hires which can and has in the past affected the service delivery operating model.

Currently, some of the need for some of the vehicles detailed in the report is fulfilled by hire vehicles. It is not recommended that the council continue to fulfil this requirement with the use of hire vehicles due to the high cost as evidenced in paragraphs 1.9, 2.7 and 2.8.

The council would also have reduced control over the maintenance of the vehicles, adding a risk to compliance with our Operators Licence.

6. REASONS FOR RECOMMENDATIONS

6.1 Procuring new vehicles will allow the council to continue to deliver essential and statutory services in a safe and efficient way without higher maintenance or hire costs.

6.2 Replacing existing vehicles will allow the council to benefit from either the latest emissions standard vehicles or when affordable zero emission electric vehicles. Reducing the carbon emissions of the council's fleet and improving air quality in the borough contributing to the Sustainable Barnsley 2030 objective and the action point within the Council's Air Quality Action Plan.

6.3 New vehicles will also reduce the maintenance cost of the fleet – as vehicles age their maintenance requirement increases. The new vehicles will also come with a warranty, meaning the cost of any breakdowns or unplanned maintenance will not be incurred by the Council.

6.4 Extension of leases or purchasing vehicles out of their lease is not a cost-effective solution given the higher running costs of the vehicle and the additional leasing cost.

7. GLOSSARY

ICE Internal Combustion Engine – Diesel or Petrol vehicles.

ULEV Vehicles that emit less than 75g of Carbon Dioxide (CO2) per kilometer travelled and are capable of at least 10 miles of zero emission driving between recharging. They include:

- Fully Electric Vehicles (EVs) (this is currently the council's preference).
- Plug-in Hybrid Electric Vehicles (PHEVs).
- Extended-Range Electric Vehicles (E-REVs).

8. LIST OF APPENDICES

Appendix A: Financial Implications
Appendix B: List of Vehicle Replacements

9. BACKGROUND PAPERS

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made.

10. REPORT SIGN OFF

Financial consultation & sign off	Senior Financial Services officer consulted and date. See Appendix A Ashley Gray – Strategic Finance Business Partner
Legal consultation & sign off	***Peter Wilson*** ***7.3.24***

Report Author: Jacob Finney
Post: Transport, Fleet and Driving Standards Service Manager
Date: 02/02/2024