

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

REPORT OF THE EXECUTIVE DIRECTOR PLACE TO CABINET ON 18/03/2020

VEHICLE REPLACEMENTS 2020 TO 2021

1. PURPOSE OF REPORT

- 1.1 To request support for the fleet vehicle replacement programme proposing the replacement of a total of 97 vehicles and plant items and equipment in line with the Vehicle Replacement Strategy 2019 to 2025, approved by Cabinet on 20/02/2019 (Cab.20.2.2019/10).
- 1.2 To request further support to continue to reduce the emissions of the Council's fleet by replacing 38% of the fully diesel or petrol fuelled vehicles in this replacement batch with Ultra Low Emission Vehicles (ULEVs) in support of the Government's 'Road to Zero' strategy and the Council's own Clean Air Action Plan and Zero 40 strategy.
- 1.3 To request approval to upgrade at least 8 vehicles supplied to partner organisations (Norse and Berneslai Homes) to ULEVs.

2. RECOMMENDATIONS

- 2.1 **To authorise the replacement of 97 vehicles, in the 2020/21 financial year, to be used by council departments and partner organisations, with a total value of up to £3,585,500 (including the additional cost of ULEVs as referred to at 2.2) by way of purchase followed by a sale and lease back arrangement as outlined in section 7.9 or whichever method of funding is deemed appropriate following full financial appraisal.**
- 2.2 **To support the upgrading of 24% (38% for Council departments and 14% for partner organisations) of the petrol and diesel fuelled vehicles highlighted for replacement in this report to ULEVs at an additional estimated expense of £235,000 included in the total amount stated in 2.1. £171,000 of this is for Council departments and £64,000 for partner organisations. This is the extra cost to purchase a ULEV over a standard petrol/diesel powered vehicle. The £64,000 additional cost for partner organisations will be recovered from them through increases in hire charges.**

3. INTRODUCTION

- 3.1 The Vehicle Replacement Strategy 2019 – 2025 was approved by Cabinet on 20/02/2019 (Cab.20.2.2019/10). It was noted in this report that it would be followed by a capital plan in accordance with the strategy. This report is the second capital request since the approval of the strategy and will set out the capital request for financial year 2020/21 and the forecast requirement for 2021/22 to 2024/25.
- 3.2 The Council's fleet is made up of 419 vehicles and plant items and equipment with a total capital value of approximately over £14M and is also supplemented by hire vehicles. These vehicles are essential for front line services to deliver both statutory and income generating services.
- 3.3 Every vehicle has a lifespan based on the type of vehicle, the role it carries out and its usage profile. Once a vehicle reaches the end of this lifespan there is an increase in maintenance cost and vehicle downtime. Therefore, it is imperative that vehicles are replaced once they reach this point to ensure that excess downtime doesn't adversely affect the department's ability to deliver their services and the council does not incur additional costs associated with maintenance on vehicles at the end of their lives. A decision on whether the vehicles will be replaced at the end of their scheduled useful life will be made towards the end of the initial lease period. Appendix B shows vehicles that are considerably over their initial lease period. With such a diverse fleet with varied uses we cannot determine the exact life of a vehicle; it is dealt with on a case by case basis after the initial review period.
- 3.4 This report seeks approval to implement a replacement programme for 2020/21, to replace 39 vehicles, plant and equipment operated by council departments – the vehicles will be utilised by 11 departments. 38% of these replacement vehicles will swap diesel or petrol vehicles for ULEVs.
- 3.5 The report also seeks approval to replace 58 vehicles operated by partner organisations, a minimum of 8 of them to ULEVs.
- 3.6 A ULEV is defined as a vehicle that emits less than 75g of Carbon Dioxide (CO₂) per kilometre travelled and is capable of at least 10 miles of zero emission driving between recharging. They include:
- Fully Electric Vehicles (EVs) (this would be the preference for us at this point in time and additional capital would be used for this type of vehicle).
 - Plug-in Hybrid Electric Vehicles (PHEVs).
 - Extended-Range Electric Vehicles (E-REVs).
- 3.7 The Council continues to monitor the ULEV market, currently the ULEV commercial vehicle area of the market is growing but not as quickly as the car market. Due to the type and complexity of some of the vehicles we operate, this means that for some of the vehicles we use it is not yet possible replace diesel vehicles with ULEVs, while the market is developing opportunities will be sought to trial new technology so that when it is readily available the council is in a position to adopt it. If the council is required to opt for diesel or petrol before suitable ULEVs are available it will always ensure that new vehicles meet the latest emissions

standards and look at available technology to reduce the carbon emissions of the vehicles (such as Mild Hybrid Technology).

- 3.8 The last capital request for the procurement of 154 vehicles (Cab.21.8.2019/7) is still ongoing due to the lead times of some vehicles. 135 (£5.1m) of these vehicles will be delivered after March 2020. We committed to making 25% of this programme electric or ULEV, we are on track to achieve the target of 25% council operated vehicles replaced to be electric. There is still work to do with partner organisations to increase their uptake of ULEVs.
- 3.9 The last capital request also requested funds to install charging points at council facilities in order to recharge electric vehicles. Work to install these is ongoing and they are planned to be in prior to the arrival of the electric vehicles.
- 3.10 Tables 1a and 1b below show a breakdown of the capital request by department and external partners.

Table 1a – Planned replacements for council departments 20/21

User Department/ Customer	Number of vehicles (ULEV)	Average age (years)	Capital cost	Extra cost for ULEV	Total capital cost
Adult Skills & Community Learning	1 (1)	6.5	£16,500	£8,000	£24,500
Commercial Services	1	9.2	£60,000		£60,000
Highways	8 (5)	7.4	£600,000	£77,000	£677,000
Neighbourhoods Services	16	5.9	£620,000		£620,000
Newsome Avenue	1	8.3	£50,000		£50,000
Parks	1 (1)	5	£22,000	£20,000	£42,000
Smithies Depot	1	7.5	£150,000		£150,000
Stronger Communities	1 (1)	5.5	£19,000	£8,500	£27,500
Transport	4 (4)	8.5	£66,000	£32,000	£98,000
Waste Management	4 (2)	8.1	£353,000	£17,000	£370,000
Youth Services	1 (1)	11.9	£22,500	£8,500	£31,000
Sub-total – council departments	39 (15)	7.62	£1,979,000	£171,000	£2,150,000

Table 1b – Planned replacements for partner organisations 20/21

User Department/ Customer	Number of vehicles (ULEV)	Average age (years)	Capital cost	Extra cost for ULEV	Total capital cost
Barnsley Norse	4 (3)	5.0	£84,500	£24,000	£108,500
Berneslai Homes	54 (5)	5.3	£1,286,500	£40,000	£1,326,500
Sub-total – partner organisations	58 (8)	5.15	£1,371,000	£64,000	£1,435,000

Total	97(23)	6.4	£3,350,000	£235,000	£3,585,000
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4. PROPOSAL AND JUSTIFICATION

2020/21 Requirements

- 4.1 A total of 97 vehicles will be procured to replace existing vehicles as detailed in Appendix B and Tables 1a and 1b above.
- 4.2 The council vehicles that are planned for replacement in this batch have been in service for on average 7.62 years and are an average of 1.6 years over their initial predicted lifespan.
- 4.3 The vehicles for partner organisations are an average of 5.15 years old and are on average 0.4 years beyond the agreed period with these customers. Details of all ages are available in Appendix B.
- 4.4 Some vehicles included in the request have not yet reached their expected lifespan, however by the time replacements are ordered and delivered they will have exceeded their lifespan
- 4.5 38% of the diesel or petrol vehicles operated by council departments will be upgraded to ULEVs; this percentage is restricted by the current market for ULEVs.
- 4.6 It is planned that 8 of the vehicles supplied to partner organisations will be upgraded to ULEVs in this batch of replacements. This is subject to the partner organisations supporting this change and accepting the increased price of ULEVs.
- 4.7 The number of ULEVs for partner organisations and the council may increase should the price and availability for larger ULEV vans become more favourable. It is currently projected that this is not the case however, if so then additional funding would be required to facilitate this increase.
- 4.8 Replacing vehicles at the end of their life is beneficial to the council for the following reasons:
 - **Reduction in carbon emissions** – replacing vehicles enables us to move onto new technology such as ULEVs, however even if a diesel or petrol vehicle is replaced with another, new engines are much cleaner and it will still result in a reduction in emissions. Studies show that the emissions of an electric vehicle are up to 2 tonnes less than a Diesel when travelling 10,000 miles in a year. New emissions standards have dramatically decreased the emissions of vehicles, for example, a medium sized panel van in 2014 emitted 0.359 grams of CO₂ per km a new one would emit 0.192g/km, a reduction of almost 50%.
 - **New safety technology** – new vehicles have features to make them safer to the occupants and public, reducing the risk of accidents. Some examples are detailed at 19.2.
 - **Reduction in maintenance** - as vehicles age their maintenance requirements increase, meaning that they spend more time off the road and potentially incur extra costs.
 - **Reduction in running costs** – new vehicles are much more efficient, meaning that fuel and other associated running costs would be lower.

- **Increase in vehicle availability** – due to the additional maintenance requirements of older vehicles, they inevitably spend more time off road, which potentially increases the requirement on hire vehicles in order to maintain service delivery.
- **More efficient working** – new vehicles can be tailored to suit operational requirements, meaning that operatives can use them in a more efficient manner than the ones they are replacing.

4.9 Using the information available on the vehicles V5C document we can calculate that the current total CO2 emissions measured in grams per kilometre for the 97 vehicles proposed for replacement is 34.627g/km. The replacement vehicles are estimated to generate a total of 15.182g/km. This is a predicted reduction of 56% in CO2 exhaust emissions.

	CO2 g/km
Existing vehicles	34.627
New vehicles	15.182

- 4.10 Vehicle replacements will be scrutinised before any procurement takes place to ensure that the fleet is utilised as much as possible and unnecessary vehicles are not replaced.
- 4.11 Procurement of replacement vehicles will take into account the predicted whole life cost of vehicles – purchases will not be made based solely on the initial price. As well as our own calculations we will utilise external research that is freely available to us as an aid.
- 4.12 A final decision will be made on whether to replace the vehicles we have identified with ULEVs during the procurement process. The usage profile will be scrutinised and estimated fuel and maintenance cost reduction will be evaluated against the additional purchase price and leasing cost. The infrastructure available to charge the vehicles will also be a determining factor.
- 4.13 Facilitating the take-up of ULEVs is an important action within the Council’s Air Quality Action Plan (<https://www.barnsley.gov.uk/media/5738/barnsley-abc-air-quality-action-plan-2017.pdf>), along with a commitment to improving the Council’s fleet. Procurement of ULEVs will 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.
- 4.14 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). Transport currently accounts for 12% of total BMBC carbon emissions and contributes to the overall Borough’s transport carbon emissions of 27%. Converting from diesel and petrol vehicles to electric vehicles will reduce emissions from transport by around 40%.
- 4.15 The Governments’ Road to Zero - In 2018, the UK Government launched the Road to Zero Strategy to decarbonise transport. The Government ambition is for 40% of all new vans sold to be EV by 2030, and for the sale of new diesel and petrol cars and vans to end by 2040.

- 4.16 Based on industry data, a benefit of ULEVs, as well as their lower emissions, is that the day to day running costs are typically much lower than their diesel or petrol powered counterparts so it is likely that the whole life costs of them will be lower. The council does not yet have enough data from its own fleet to determine the optimum usage profile for ULEVs in Barnsley.
- 4.17 We estimate that the fuel cost of using Full Electric Vehicles are around 30% of the price of Diesel equivalent vehicles – this gives a saving of 70% on fuel costs. The maintenance requirements of electric vehicles are also less than diesel vehicles meaning that servicing and maintenance costs are lower over the lifetime of the vehicle.
- 4.18 At the end of a battery's life they can be reused as power storage batteries before being recycled.

Future Funding Requirements

- 4.19 The Vehicle Replacement Strategy 2019 - 2025 stated that the capital expenditure forecast and the revenue impact of this for the following five years would be presented as part of the annual capital requirement report to provide a longer term view of the capital funding requirement. These projections are generated from a spreadsheet model designed for this purpose. The requirements for years 2021/22 to 2025/26 are set out in Table 2. Unless there is a change in financing policy, resulting from changes in accounting standards (see section 7) or otherwise, future purchases will also be followed by sale and leaseback arrangements following the initial purchase.

Table 2

Financial Year	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Number of replacements							
BMBC services	39	0	3	18	5	48	113
Partners	58	39	14	21	0	120	252
Total number	97	39	17	39	5	168	365
Projected Capital Expenditure							
	£'m	£'m	£'m	£'m	£'m	£'m	£'m
BMBC services	2.150	0	0.082	1.227	0.545	3.734	7.738
Partners	1.435	0.610	0.193	0.460	0	2.496	5.194
Total spend	3.585	0.610	0.275	1.687	0.545	6.230	12.932
Impact on revenue (leasing cost budget)							
Opening leasing cost	1.470	1.612	1.603	1.599	1.593	1.587	
Net increase from 2019/20 programme	0.203						
Increase from 2020/21 programme	0.592						
Vehicles returned in 2020/21	-0.417						
Increase due to new expenditure in future years		0.013	0.006	0.036	0.003	0.335	
Reduction in vehicle hire costs	-0.091	0	0	0	0	0	
Reduction in maintenance costs	-0.054	-0.009	-0.004	-0.025	-0.008	-0.093	
Increase in partner fees	-0.068	-0.013	-0.004	-0.009	0	-0.125	
Savings for ULEVs	-0.023	0.000	-0.002	-0.008	-0.002	-0.018	
Net movement in year	0.142	-0.009	-0.004	-0.006	-0.007	0.098	
Closing leasing cost	1.612	1.603	1.599	1.593	1.587	1.685	
Leasing cost budget	1.616	1.616	1.616	1.616	1.616	1.616	
Under/ -overspend	0.004	0.013	0.017	0.023	0.029	-0.069	

4.20 The figures in Table 2 include a replacement cost for the purchase of replacement vehicles procured within the time period shown that also reach the end of their life within the time period shown. For instance, if life of vehicle is 5 years, it will be included in 2020/21 and in 2025/26.

4.21 The financial projections in Table 2 assume like for like replacements and are calculated by adding inflation of 3% per year to the initial vehicle purchase price. The actual amount that will be requested will be based on current estimated purchase prices.

4.22 The figures also assume that vehicles will be replaced when they come to the end of their existing initial lease period/life of the vehicle. However, this may not be the case. The need for the replacement will be evaluated towards the end of the lease period. If replacement is not deemed necessary at that point then the lease will be extended and this profile amended.

4.23 Table 2 shows that if the additional income from partners to reflect the increased value of the replacement vehicles is included in the calculations, and an adjustment is made in 2020/21 for the expected reduction in repairs and maintenance and hire costs to replace older vehicles being off road then there is sufficient headroom in

the Fleet revenue budget for the next five years (2021/22 to 2025/26) to pay the higher leasing costs of the vehicles in the proposed vehicle replacement programme. Savings in other areas will need to be found if the costs of vehicles are more than currently projected. There are a number of risks (e.g. change in accounting treatment following the implementation of a new accounting standard for leasing (see section 7 below), the actual cost of vehicles post Brexit, borrowing rates, the effect of residuals on leased vehicles) and opportunities (e.g. lower repairs and maintenance costs when running a relatively newer fleet) which will impact on the capital and revenue budgets going forward. Therefore, the programme should be refreshed each year.

4.24 The projections in Table 2 (except those for 2020/21 do not include the additional capital cost that will be required for ULEV upgrades to the fleet for the following reasons:

- Due to the fast development of ULEVs we are unable to predict what suitable vehicles will be available to us in years to come.
- It is predicted that the cost of ULEVs will drop in the coming years – meaning that additional funding may not be required.

4.25 If we continue with the strategy adopted in 2019/20 to buy 25% of replacement vehicles as ULEVs and make the same assumptions about the incremental cost of ULEVs (that they will be on average £6,579 more expensive than the equivalent petrol or diesel versions), then £441,000 of additional capital expenditure will be required in the next 5 years as shown in Table 3. This will result in an increase in the annual leasing charge of £73,000 per year by 2025/26.

Table 3

Financial Year	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Total number	39	17	39	5	168	268
ULEVs	10	4	10	1	42	67
%	25%	25%	25%	25%	25%	25%
	£'m	£'m	£'m	£'m	£'m	£'m
Additional capital requirement	0.066	0.026	0.066	0.007	0.276	0.441
Leasing charge (over 5 years)	0.011	0.004	0.011	0.001	0.046	0.073

4.26 Additional capital expenditure may also be required for more charging points to support these additional vehicles.

4.27 The leasing charge figures in Table 3 assume that we will be able to secure similar lease terms for ULEVs to those for petrol and diesel vehicles. If funders assume that ULEVs to be higher risk (e.g. uncertainty about demand and battery life) then the leasing charge could be higher.

4.28 Where the ULEVs are for Council services, there will be savings in fuel, road fund licence and maintenance costs. Where they are purchased for partner organisations, there will be an increase in the service level agreement income. Based on current estimates these should be at least equivalent to the additional

lease charges and so there should be no increase in the overall revenue costs as a result of moving to more ULEVs.

- 4.29 The introduction of Electric Vehicles to the council's fleet may bring the requirement for investment to be made into the vehicle maintenance workshop. The requirement is currently under assessment and any funding requirements will be brought forward in a separate report.

5. CONSIDERATION OF ALTERNATIVE APPROACHES

- 5.1 Option 1: Do Nothing. 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. This would adversely affect user departments' ability to provide front-line services and also prevent the council benefiting from newer safety technology, the number of ULEVs in the fleet will not increase and the council will be operating vehicles with older Euro rated engines that do not meet the same emission standards as newer equivalent vehicles.
- 5.2 Option 2: Replace the vehicles detailed in Appendix B but not procure ULEVs and not procure electric charging points. This option is not recommended as the borough would not benefit from the increase in air quality that lower/zero emission vehicles bring, the council would also fail to show a good public image in helping to encourage others to take up this technology. It will also not show support to the commitments given in the Council's Air Quality Action Plan and the Government's 'Road to Zero' strategy.

6. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

- 6.1 Emissions from council vehicles will be lower with the increase in ULEVs replacement of older, lower Euro rated vehicles with vehicles that meet the latest Euro emissions rating, thus improving air quality in Barnsley for local people and visitors. This will therefore assist in the Council meeting legal air quality standards for the Borough, and contribute to reducing exposure to road traffic emissions for local stakeholders.
- 6.2 Service users will benefit from increased vehicle availability for council departments due to newer vehicles which require less maintenance. Enabling front line services to continue to provide a reliable service.

7. FINANCIAL IMPLICATIONS

- 7.1 Consultations on the financial implications have taken place with representatives of the Service Director – Finance (S151 Officer)

Capital Programme / Capital Funding Implications

- 7.2 It is proposed to purchase 97 vehicles and items of equipment over the next 12 months. The total capital cost is estimated to be in the region of £3.585m (Table 1a and 1b). At the time of replacement a detailed exercise will be undertaken to determine the best option to finance the procurement of the vehicles. As part of the

review we will look at all financing options to provide assurance that we are achieving best value for money.

- 7.3 Physical delivery and therefore actual payment for some of the vehicles is likely to fall in the 2021/22 financial year due to long lead times for some of the specialist highways vehicles.
- 7.4 From the 1st April 2020, there has been a change to how local authorities account for leases, where the authority is the lessee, through the adoption of accounting standard IFRS 16. The fundamental change as a result of this new standard is that every lease, except low value (<£10k) and short term (< 12 months) leases are recognised as capital expenditure. Previously, any lease arrangement would not have capital implications and would be expensed to revenue as rentals each year.
- 7.5 Therefore, notwithstanding the value for money aspect and decision in respect of the financing arrangements as outlined in 7.2 above, there are capital implications as a result of this proposal.
- 7.6 The capital programme will therefore be charged the full £3.585M over the period 2020/21 and 2021/22, which will ultimately increase the Council's Capital Financing Requirement (CFR). The change in accounting standard also means that the rental charge will be notionally split between an interest element and a capital element. This may require reclassification and reallocation of the Fleet leasing costs and budget. This is a technical change which will be addressed as part of the year end accounting adjustments on an annual basis.
- 7.7 Table 2 in paragraph 4.19 above provides indicative capital requirements for future years. The amounts are based on like for like replacement at the end of normal useful life at last purchase price plus inflation. The capital requirements may increase depending on the ULEVs market as in indicated in 4.24 above.

Revenue Implications

- 7.8 In respect the affordability and funding implications, the revenue budget is where that assessment is made, in conjunction with the capital approval from within the capital programme, irrespective of whether the financing decision is to borrow for or lease the vehicles.
- 7.9 Where we opt to go down the lease purchase route (most purchases in the past have been on this basis), following physical delivery, the vehicles will be financed over a period of between 4 and 8 years reflecting the useful life of the assets. It is estimated that the annual revenue leasing cost of financing the £3.585m expenditure above will be £0.591m. This assumes that we will be able to secure similar lease terms for ULEVs to those for petrol and diesel vehicles. If funders assume that ULEVs to be higher risk (e.g. uncertainty about demand and battery life) then the leasing charge for these vehicles could be higher.
- 7.10 £0.417m of annual leasing commitments will be released when the leases for the replaced vehicles are terminated so this batch of vehicle replacements will increase the revenue leasing cost by £0.175m per year (£0.592 increase from additions less £0.417 saving from leases terminated). This will be offset by a saving of £0.023m for expected savings in excise duty, maintenance and fuel for the electric vehicles

(see paragraphs 7.6 and 7.7 below), maintenance of regular vehicles of £0.054m, saving in hire costs for replacement vehicles of £0.091m and increases in SLA income from partner organisations of £0.068m. The net increase in revenue costs of £0.142m can be funded from the existing fleet leasing budget of £1.616m.

- 7.11 The 2020/21 replacement programme will replace circa 23 (15 Council and 8 partners) existing petrol/diesel cars and small/medium sized vans with ULEVs. Savings for the partner vehicles will flow to them and be reflected in the hire rates. For Council vehicles, these savings will flow to Fleet or user departments. Based on industry data, these have lower excise duty, maintenance and fuel costs but it is difficult to quantify until exact vehicles are known.
- 7.12 Excise duty and maintenance savings could be around £500 per year or higher (£235 for excise duty and £265 for maintenance). For 15 Council vehicles this will equate to £7,500 per year.
- 7.13 Fuel savings will depend on the performance of the vehicles purchased, the daily mileage and usage. Substitution of say 4 litres of diesel per day for a medium sized van at say £1 per litre over 52 weeks would save £1,040 per year. For 15 vehicles, this could equate to £15,600.
- 7.14 The above savings only just cover the incremental capital cost of ULEVs, which are typically £6,600 more than their petrol/diesel counterparts and residuals may be lower due to uncertainty about future demand and battery replacement costs but they do make a significant contribution to the council's corporate priorities.
- 7.15 Full details are set out in Appendix A.
- 7.16 There is a risk to the Fleet leasing budget in the event that the savings identified in 7.10 to 7.13 are not achieved. Savings will need to be identified during the 2021/22 budget round to plug any gap. This may necessitate transfers of budgets from service departments who are the main beneficiaries of the newer technologies and efficiencies of the new vehicles.
- 7.17 Table 2 above shows the impact on the revenue budget of the projected capital expenditure for the next five years. This shows that, if we are able to secure similar lease terms for ULEVs to those for petrol and diesel vehicles and we are able to continue to pass on the increases in leasing costs for partner organisations to them through the SLA arrangements, then there is sufficient revenue budget up to 2025/26. Further savings in other areas of the Fleet budget, e.g. repairs and maintenance will be required if vehicle costs are higher than projected due to Brexit or other factors.
- 7.18 Table 3 shows the additional capital and revenue cost if 25% of the replacement vehicles in future years are ULEVs. The figures assume that ULEVs will cost, on average, £6,579 more than the equivalent petrol or diesel versions. The projections show that £441,000 of additional capital expenditure will be required in the next 5 years. This will mean £73,000 additional revenue expenditure (to figures in Table 2). This will be offset by savings in operating costs or additional income from partners and the appropriate amount of budgets will be transferred from service budgets to the Fleet leasing budget so there should be no additional pressure on

the revenue budget.

- 7.19 Additional capital expenditure may also be needed in future years to increase the number of charging points for electric vehicles to support the increasing size of the electric fleet.
- 7.20 Due to uncertainties around the profile of replacements in general and the changing position on ULEVs an update report should be presented annually to support the vehicle replacement plans for that and future years.

8. EMPLOYEE IMPLICATIONS

- 8.1 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. Demonstrator vehicles will be sourced to assist them where possible.
- 8.2 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.
- 8.3 Older vehicles increase the pressure on drivers as there are less driver safety aids and they are more difficult to drive; this increases the chance of a collision. Collisions in council vehicles not only have an adverse effect on the drivers mental health as they are potentially subject to investigation and disciplinary action but also affects their personal vehicle insurance premiums as they have to, by law be declared. The risk of injury in collisions also has an impact on the absence rate of our employees, in turn impacting on service delivery.
- 8.4 Newer vehicles and ULEVs produce less carbon and particulate emissions – meaning that there is a reduction in risk to the operative’s health.

9. LEGAL IMPLICATIONS

- 9.1 Operating older vehicles could have an adverse effect on the Council’s Operators Risk Compliance Score (O CRS) due to the higher risk of them developing defects on the road and increased maintenance requirements. Barnsley Council could see action against the Operator Licence up to total revocation, meaning that the council would not be able to operate a large quantity of its fleet, impacting on the services that can be delivered.
- 9.2 If drivers are found to be using a defective vehicle they could also face personal including fines, penalty points and loss of license.

10. CUSTOMER AND DIGITAL IMPLICATIONS

- 10.1 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. The space could also be used to promote electric vehicles.

11. COMMUNICATIONS IMPLICATIONS

- 11.1 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.

12. CONSULTATIONS

Name	Position	Section(s) contributed to
Lee Taylor	Procurement and Compliance Officer	App B
Dale Sparks	Head of Commercial and Support Services	All
George Lee	Project Manager	4
Maq Ahmed	Interim Strategic Finance Manager (Directorate Support & Commercial Services)	All
Paul Castle	Service Director – Environment and Transport	All

13. THE CORPORATE PLAN AND THE COUNCIL'S PERFORMANCE MANAGEMENT FRAMEWORK

- 13.1 No Implications

14. PROMOTING EQUALITY, DIVERSITY AND SOCIAL INCLUSION

- 14.1 No Implications

15. TACKLING THE IMPACT OF POVERTY

- 15.1 No Implications

16. TACKLING HEALTH INEQUALITIES

- 16.1 In its recently published Clean Air Strategy, the Government recognises that air pollution is the top environmental risk to human health in the UK, and the fourth greatest threat to public health after cancer, heart disease and obesity. Locally, in 2017, Public Health England estimated that 3.8% of all deaths in Barnsley in those aged 30+ were attributable to fine particulate air pollution.

- 16.2 Health can be affected both by short-term, high-pollution episodes and by long-term exposure to lower levels of pollution.

- 16.3 Emissions from road transport have been acknowledged as a significant source of poor air quality in the Borough. Improving air quality is therefore important in

addressing local health inequalities, and replacement of older vehicles with newer less polluting ones will assist in reducing emissions.

17. REDUCTION OF CRIME AND DISORDER

17.1 No Implications

18. RISK MANAGEMENT ISSUES

18.1 All new vehicles will be insured by the council on the existing fleet policy.

18.2 Features will be included in the specifications of new vehicles where possible that will significantly reduce the chance of an avoidable collision, some of which are detailed in paragraph 19.2.

18.3 The new vehicles will also feature anti-theft technology such as immobilisers, alarms and drive lock systems where possible and necessary.

18.4 New vehicles will also all be fitted with telematics devices with the ability to track the location of the vehicle when it is driving, recording the last location it was parked and detect movement when the vehicle is not turned on should it be removed on a recovery vehicle.

18.5 Issues regarding the management of the Council's Operators licence and broader fleet risks are logged in the Operational Risk Register for Business Unit 6. The approval of this report and the subsequent investment in improvement vehicles will act as a significant mitigation against these risks.

19. HEALTH, SAFETY AND EMERGENCY RESILIENCE ISSUES

19.1 New vehicles bring modern safety standards such as increased protection for occupants in the event of a collision and are designed to be friendlier for pedestrians in the event they are involved in an altercation with the vehicle. The current fleet of vehicles are of an age where they are not of the same safety standard as the replacement vehicles

19.2 The new vehicle specifications will include all relevant safety features. The following are examples of safety features that would be included and are intended to keep the council employees that will be the vehicles safe, prevent collisions and protect other people that encounter our vehicles:

- Visual and Audible seatbelt warning
- White sound reversing alarm
- Front radar detection systems with driver warning and auto braking
- Lane Departure warning
- Rear radar detection systems with driver warning and auto braking
- Colour 360 degree cameras, with recording capability and driver monitor
- Reversing sensors
- Front and rear beacons
- ABS
- Traction control systems
- Emergency stop buttons

- Work area lights
- On board weighing
- Manual handling aids
- Load securing devices

19.3 Before vehicles are procured the Fleet team will liaise with the user departments to establish their needs and ensure that the specification will fulfil them safely. Demonstrator vehicles will be sourced if possible before purchasing when required.

20. COMPATIBILITY WITH THE EUROPEAN CONVENTION ON HUMAN RIGHTS

20.1 No Implications

21. CONSERVATION OF BIODIVERSITY

21.1 No Implications

22. LIST OF APPENDICES

Appendix A: Financial Implications

Appendix B: List of vehicles to be replaced

23. BACKGROUND PAPERS

Fleet Vehicle Replacement Report (Cab.13.6.2018/14)

Vehicle Replacement Strategy (Cab.20.2.2019/10)

Vehicle Replacement Report 2019/20 (Cab.21.8.2019/7)

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

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