

**Report of Executive Programme Manager**

**Report to Director of Resources and Housing**

**Date:** 3<sup>rd</sup> October 2018

**Subject:** Corporate Fleet Replacement Programme –Mobile Libraries

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. In April 2018 Executive Board approved the purchase of 349 vehicles as part of its fleet replacement programme for the 2018/19 financial year. A further report is due to be submitted early in 2019 for the 2019/20 programme. This programme of work will ensure that the council's fleet will be fully compliant with the proposed Clean Air Zone which is planned to be introduced in January 2020.
2. All of the council's mobile libraries will require replacing during the 2019/20 to ensure their compliance. These vehicles however require a long lead in time, between 9 to 12 months, and therefore will need to be ordered in this financial year, although payment will be made upon delivery during the 2019/20 financial year.
3. There are a number of refuse collection vehicles (RCVs) and mobile libraries which will require replacing during the 2019/20 to ensure their compliance. These vehicles however require a long lead in time, between 9 to 12 months, and therefore will need to be ordered in this financial year, although payment will be made upon delivery during the 2019/20 financial year.
4. Some of the RCVs will be replaced by vehicles fuelled by compressed natural gas (CNG) to assist in its ambition to have an ultra-low emission fleet by 2025. The initial intention was to replace all RCVs with a CNG equivalent, however there have been delays in the development and construction of an alternative fuelling station has meant that the numbers of CNG vehicles has to be restricted to using the current CNG fuelling station at Knowsthorpe Way. The approval to replace these vehicles will be contained in a separate report linked to the delivery of the alternate fuelling station and the upgrade of the council's current CNG fuelling station. This report deals with those RCVs that cannot be replaced with a CNG fuelled version.

5. As the council is currently consulting on a proposal to implement a Clean Air Charging Zone (CAZ), it is imperative that the council continues to reduce the emissions of its own fleet as well as ensuring compliance with the required standards under the CAZ.
6. The current contract used for the procurement of vehicles was awarded to The Procurement Partnership Limited in April 2018. This framework will be used to purchase these vehicles.

### **Recommendations**

7. The Director of Resources and Housing is asked to;
  - Note the required expenditure of £1.05M for the fleet replacement programme in 2019/20 financial year to ensure compliance with the introduction of the CAZ for mobile libraries by January 2020 and provide authority to procure these vehicles.
  - Note the required expenditure of £1.71M for the fleet replacement programme in 2019/20 financial year to ensure compliance with the introduction of the CAZ for RCVs that cannot be replaced by a CNG version by January 2020 and provide authority to procure these vehicles.

## **1 Purpose of this report**

1.1 The report details:

1.1.1 The proposed fleet replacement strategy with regard to mobile libraries;

1.1.2 How the council will ensure that this part of the fleet is compliant with the proposed CAZ by January 2020;

1.1.3 The costs associated with the mobile library replacement programme for the 2019/20 financial year.

## **2 Background information**

2.1 The current and previous governments have made a policy commitment for almost every car and van to be a zero emission vehicle by 2050<sup>1</sup> and that it will end the sale of all new conventional petrol and diesel cars and vans by 2040<sup>2</sup>.

2.2 In January 2018 the Committee on Climate Change said that 60% of new cars must be electric by 2030 to meet greenhouse gas targets<sup>3</sup> and that with the sale of low emission vehicles increase and diesel vehicles reduce that the sale of electric vehicles will outstrip that of diesel vehicles by January 2021<sup>4</sup>.

2.3 Leeds has been named as one of many cities in the UK that needs to take action to address its air quality. As a result in December 2017, the council proposed the implementation of a Class B Clean Air Zone (CAZ) for all buses, coaches, HGVs and taxi and private hire vehicles. CAZs require all impacted vehicles entering the zone to be compliant with either euro 6 (diesel) or euro 4 (petrol) engine standards, with a requirement for the taxi and private hire fleet to move towards petrol hybrid or electric.

2.4 The council has a sizeable fleet of vehicles that operate all around the city. The fleet currently consists of 9 mobile library vehicles within the City Development directorate.

2.5 The current fleet is well advanced in terms of proportion of ULEVs in comparison with other public sector fleets. The fleet comprises of 7% ULEV vehicles made up a mixture of pure electric, hybrid and CNG.

2.6 In April 2018 the vehicle supply framework was reviewed and a contract was awarded to The Procurement Partnership Limited (TPPL) as its preferred supplier of vehicles as it offers value for money through increased competition and offer substantial time savings in procuring the framework and at mini-competition stage. Expert market and procurement knowledge is available through this framework should this be needed.

## **3 Main issues**

3.1 The council has currently has 87 RCVs and 9 mobile libraries. Of these only 43 RCVs (38 vehicles with a diesel euro VI engine and 5 with a CNG engine) and none of the mobile libraries have compliant engines within the requirements for the clean air charging zone. The five CNG RCVs are coming to the end of their life and therefore require replacement within the current programme.

---

<sup>1</sup> DfT press notice [“UK Government pledges bold ambitions for electric cars”](#) 3<sup>rd</sup> December 2015

<sup>2</sup> DfT press notice [“Plan for NO2 concentrations published”](#) 26<sup>th</sup> July 2017

<sup>3</sup> Committee on Climate Change [“An independent assessment of the UK’s Clean Growth Strategy: From ambition to action”](#) 17<sup>th</sup> January 2018

<sup>4</sup> Energy and Climate Intelligence Unit [“Diesels – running out of gas”](#) 28<sup>th</sup> November 2017

- 3.2 It was initially envisaged that where possible all RCVs would eventually be replaced by a CNG fuelled version, this would have meant that with this first tranche of replacement RCVs 40 would have been a CNG equivalent. With this large volume of CNG vehicles being on the fleet there is a requirement that the alternative fuel station needs to be fully operational to ensure that this portion of the fleet could had full refuelling capabilities. It is unlikely that the alternative fuel station will be operational by January 2020. With this programme we are only looking to replace those RCVs for which there is no CNG version available, a further report will be presented to the Executive Board highlighting recommendations regarding those vehicles that can be replaced by a CNG version, the works required for our own CNG fuelling station and developments with the alternate fuelling station.
- 3.3 The replacement RCVs and mobile libraries was due as part of the 2019/20 programme, however due to the long build time for these vehicles, 6 – 9 months for a RCV and 9 – 12 months for a mobile library, these have to be ordered during 2018/19, but will not be paid for until the 2019/20 financial year.
- 3.4 There are currently 9 mobile library vehicles within the fleet at present, however discussions between City Development and Fleet Services has seen that only 7 of these will be replaced, this will result in an overall reduced spend of £300,000.
- 3.5 There are 47 RCVs that are due replacement as part of the fleet replacement programme in 2019/20. Of these 9 are not available as a CNG version as they are either a narrow track vehicle (to ensure it is able to deal with certain areas of the borough which are difficult to access with a traditional RCV) or has specialist equipment attached.
- 3.6 The fleet replacement plan, of which the replacement of the RCVs and mobile libraries is part, is expected to realise a number of benefits which are identifiable and quantifiable at this stage as follows:
- 3.7 Vehicles will be compliant with the proposed CAZ. The Council has consulted on a proposal that pre euro 6 diesel HGVs, which enter the CAZ from 2020, would be subject to a charge of £50 per day. The majority of the council fleet is currently compliant but, if approved, there are currently 89 vehicles within the fleet that would attract this charge, 42 of which are Refuse Collection Vehicles. Based upon the current proposal, the charge for the refuse vehicles would be in the region of £1.3 million per annum if they were not upgraded.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.4 Fleet Services have consulted with service managers within the departments on the specifications of all the vehicles being purchased. The new vehicles will meet the specification required by the service to operate.
- 4.1.5 Fleet Services and Sustainable Energy and Air Quality (SEAQ) team have worked closely together to ensure that vehicles being purchased support the strategic work to reduce emissions from our fleets and make a contribution to improving public health through improving Air Quality.
- 4.1.6 The SEAQ team have consulted with Corporate Finance to identify the appropriate route to informing on capital budget allocation and pressures for forthcoming years as the order of goods will take place in this financial year but the payment for the

goods will be made in the 2019/20 financial year. The appropriate paperwork to highlight the budget pressure has been completed and passed to Corporate Finance for the budget preparations for future years.

## 4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An equality, cohesion, diversity impact assessment has been undertaken as part of the business case development phase. This showed that there were no equality, diversity or cohesion issues with this fleet replacement programme.
- 4.2.2 Mobile libraries are designed to be accessible for all communities and the new replacement vehicles will be fully accessible.
- 4.2.3 Due to the large number of vehicles involved along with the number of staff who will be using these vehicles there may be a requirement to apply appropriate reasonable adjustments for the use of vehicles and this will be identified and addressed by the service upon order and receipt of the vehicle on a vehicle by vehicle basis.

## 4.3 Council policies and the Best Council Plan

- 4.3.1 This report draws attention to co-ordinated working that demonstrates a contribution towards the following priorities contained in the Best Council Plan:
- Achieve the savings and efficiencies required to continue to deliver frontline services
- 4.3.2 The report highlights the contribution to the following Council Business Plan priorities:
- Developing Leeds as a Low Carbon city
  - A carbon reduction target of 40% by 2020
  - Improving the city's Air Quality through reductions in harmful pollution from diesel engines
  - Spending Money Wisely – Achieving Value For Money in respect of its fleet replacement programme
  - Ensuring that Leeds City Council's Fleet will be compliant with the introduction of a Clean Air Zone by 2020 in line with Government Legislation.

## 4.4 Resources and value for money

- 4.4.1 There has been a fleet replacement programme in place for many years and this is funded through the Capital Programme. In recent years there has been limited replacement of vehicles and additional work has been undertaken by Fleet Services to extend the life of the fleet.
- 4.4.2 This programme of works will ensure that the Council is compliant with the Clean Air Zone by January 2020 and will also include those vehicles whose life has already been extended and are due for replacement between 2018/19 and 2023/24.
- 4.4.3 The total cost for the mobile library replacements is £1.05M and the cost to replace the narrow track (non CNG) RCVs is £1.71M, the costs are shown below.

	Number	Base Cost	CNG Premium	Total cost
RCV - Diesel Euro VI	9	£190,000.00		£1,710,000.00
Mobile Library - Diesel Euro VI	7	£150,000.00		£1,050,000.00
<b>Total</b>				<b>£2,760,000.00</b>

## **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 There are no legal issues relating to this report and all information within this report is publicly available.
- 4.5.2 The procurement process is compliant with the council's Contract Procedure Rules and involves a call off from an established framework that is compliant with European Union legislation.
- 4.5.3 Due to the value of this procurement exercise the decision is subject to call in.

## **4.6 Risk Management**

- 4.6.1 A full risk assessment has been undertaken and risk register has been developed as part of the development of the business case to deliver this procurement exercise.

## **5 Conclusions**

- 5.1 There is already a fleet replacement programme which will see vehicles within the Council's fleet replaced on a periodic cycle of usually five or six years dependent upon the mileage of the vehicle over that time and the costs of a new vehicle outweighing ongoing maintenance costs. These vehicles are now due for replacement, however the long lead in time for the construction means that they need to be ordered now to ensure that the current vehicles are replaced by those that are compliant with the CAZ.
- 5.2 At a time of continued financial pressure this investment will lead to longer term financial savings in terms of a potential CAZ charge and will form the backbone of a fleet reduction, rationalisation and management strategy which itself will at least financially break-even but will also deliver improvements in air quality.

## **6 Recommendations**

- 6.1 The Director of Resources and Housing is asked to;
- Note the required expenditure of £1.05M for the fleet replacement programme in 2019/20 financial year to ensure compliance with the introduction of the CAZ for mobile libraries by January 2020 and provide authority to procure these vehicles.
  - Note the required expenditure of £1.71M for the fleet replacement programme in 2019/20 financial year to ensure compliance with the introduction of the CAZ for RCVs that cannot be replaced by a CNG version by January 2020 and provide authority to procure these vehicles.

## **7 Background documents<sup>5</sup>**

- 7.1 None

---

<sup>5</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.