

Report of: Sustainable Energy and Climate Change Team

Report to Director of Resources and Housing

Date: 15th August 2019

Subject: Permission to procure a Single Supplier Managed Service, to Provide Pool Cars, by direct competition from the ESPO Framework.

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? check with governance	<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. On Wednesday March 27th Leeds City Council declared a climate emergency within the city.
2. They declared an intention to be Carbon Neutral by 2030.
3. Transport contributes to both CO2 emissions and reductions in air quality. The Council has a programme to address its fleet but also wishes to put in place measures to address the grey fleet.
4. A pilot fully managed pool car service, specifying sustainable vehicles would allow, among other measures, a trial to divert staff from travelling to meetings in their own vehicles, and encourage staff to commute to work using public transport.
5. This pilot project of 20 pool cars, should be set up as quickly as possible and direct competition from a relevant previously established framework would provide the quickest legal route to procure a single supplier to administer the scheme.
6. The Crown Commercial Services Public Sector Vehicle Hire Solutions Framework Reference RM6013 represents a suitable framework and this has a suitable Car Share lot.

7. Further work will be carried out with Finance colleagues to determine a suitable split between revenue and capital budgets and the proportion of departmental budgets that would need to be centralised to the pool car budget, and payment models.

Recommendations

8. That the Director of Resources and Housing authorise Procurement and Commercial Services (PACS) to carry out legal and financial checks on the CCS framework.
9. That the Director of Resources and Housing, if the framework proves acceptable following these checks, agrees to procure a Single Supplier Managed Service, to Provide Pool Cars, by direct competition from the CCS Framework.

Purpose of this report

To grant authority to procure a Single Supplier Managed Service, to Provide Pool Cars, by direct competition from the CCS Framework.

1. Background information

- 1.1. The council's staff currently complete approximately 5 million business miles per year in their own vehicles. Approximately half of this mileage is undertaken by casual car users.
- 1.2. There are no requirements on the environmental standard of vehicles used by staff for essential or casual car use (it is estimated that the average age is circa 8 years old) and there is also a risk from a health and safety perspective as the council has no control of the road worthiness of the vehicles used.
- 1.3. By reducing the council's grey fleet mileage or altering the way it is undertaken, there is the associated benefit that staff may change the way they commute into work as they no longer need their car for work purposes.
- 1.4. A review of the hierarchy of travel for staff is currently being undertaken, and working closely with the unions a revised hierarchy will be developed:
- 1.5. In parallel, discussions with unions have begun to work towards more fundamental changes in the grey fleet policy. It is anticipated that the changes will be easier to introduce for casual users than essential users but that the policy should work towards different solutions for both groups.
- 1.6. The ultimate aim is that no council mileage is undertaken in a diesel or petrol car after 2025 in support of the proposed declaration of a climate emergency and to help further clean the city's air, and comply with Clean Air Zone (CAZ) requirements for the council fleet.

2. Main issues

- 2.1. On 26th March 2019 CLT supported the proposed review of the council's grey fleet policies, including the early introduction of pool cars.
- 2.2. On 27th March 2019 the council declared a climate emergency, and the intention of being Carbon Neutral by 2030.
- 2.3. A procurement will have to be undertaken to identify a provider of both the pool cars and the system that will administer the management of the vehicles. Space needs to be identified for the storage of the pool cars and additional electric vehicle charging installed.
- 2.4. The procurement needs to be rapid in order to allow for early introduction of pool cars, and so direct competition from a suitable framework is the preferred procurement methodology. The Car Share |Lot, of the Crown Commercial Services Public Sector Vehicle Hire Solutions Framework Reference RM6013 represents a suitable opportunity.

- 2.5. PACS will need to carry out legal and financial checks to confirm the suitability of this framework.
- 2.6. For the scheme to work pool cars may need to be centrally funded. This means that the budget, or a suitable proportion of it, from each directorate for mileage claims would need to be centralised to fund the vehicles. This would also incentivise services to ensure that staff were following the new travel policy. Work is continuing with Finance to finalise how this is best organised.
- 2.7. A pilot of 20 electric pool cars has been identified as appropriate for the first phase of introduction. We will include casual car use data, including locations, within the specification and ask the companies bidding to provide a solution, in terms of number of locations and actual site, which bidders think will maximise usage.
- 2.8. As the contract is for a pilot project provision should be made in the contract to re-site the cars if required, and for the contract to include additional cars if demand outstrips supply.
- 2.9. Advice will be taken from the framework provider about the best length for the contract balancing the need for the contract to be long enough to be attractive and absorb set up costs, and the requirement to be flexible as this is a new service.
- 2.10. Access to the pool cars should be available to all suitably qualified staff through a 24/7 booking system, and contingency plans and a vehicle recovery system will be provided to allow all journeys to be completed.
- 2.11. Having taken advice from a local public sector organisation that uses a pool car service, the project is likely to cost in the region of £108,000 pa.
- 2.12. A decision needs to be taken to procure a Single Supplier Managed Service, to provide 20 Pool Cars, by direct competition from the ESPO Framework.

3. Corporate Considerations

3.1. Consultation and Engagement

- 3.1..1. The use of grey fleet has been discussed as part of the Climate Emergency discussions. This includes with BCLT, BCLT Echo events, and various services to raise awareness of the problem.
- 3.1..2. SEAQ Chief Officer has attended Corporate JCC on this issue.
- 3.1..3. Work is also going on with essential car users and a working group has been set up.

3.2. Equality and Diversity / Cohesion and Integration

- 3.2..1. Poor air quality affects elderly people, children and those living in poverty the most. Measures to improve air quality therefore benefit these people the most and reduce life expectancy and ill health inequality.

3.2..2. At this stage providing pool cars outside of the city centre reduces differences between those working inside and outside the city centre. However a review of any proposed changes to the terms and conditions of staff would require its own assessment.

3.3. Council policies and City Priorities

3.3..1. The vision for Leeds 2011 to 2030 acknowledges that climate change is one of the three major challenges that have emerged since the last Vision was published in 2004 and a climate emergency was declared in March 2019, with the target of being Carbon Neutral by 2030.

3.3..2. The review of grey fleet use and pool car provision fits with the council's overall aim to reduce carbon emissions and improve air quality, specifically:

- Leeds City Council's Best Council Plan 2015-21 sets the ambition to improve air quality, reduce pollution and noise, and measures the amount of CO₂ produced by council buildings and operations. .
- Leeds Climate Change Strategy
 - 40% CO₂ reductions from all sectors from 2005-2020
 - and to Net Zero by 2030.

3.4. Resources and value for money

3.4..1. The pool car option is significantly cheaper than using the current hire car arrangements.

3.4..2. Buying and maintaining 20 electric vehicles alongside a telematics and booking service is slightly cheaper, however this does not take into account the extra resources needed to analyse usage data and provide recommendations to maximise use. While setting up the service gaining the experience of pool car operators on promotion, monitoring and changes to the car service would be beneficial and so the pool car option represents the best value for money.

3.4..3. For the scheme to work pool cars would need to be centrally funded, work is continuing with Finance to look how this is best structured to deliver value for money.

3.5. Legal Implications, Access to Information and Call In

3.5..1. Any changes to grey fleet policy could require a change in the terms and conditions of employment, whilst this will not apply to the provision of pool cars in this pilot, as this is offering an extra option, it may affect future roll out.

3.5..2. The recommended decision is a significant operational decision and is not eligible for call in.

3.5..3. All pool vehicles will be added to the council's fleet insurance policy.

3.6. Risk Management

- 3.6..1. With the recently declared climate emergency there is a requirement to take decisive action on the grey fleet policy, however it is likely that the negotiations will be elongated given the impact on a large number of individuals. By focusing on this as an environmental initiative rather than a cost saving exercise, any financial saving can be used to support any staff who experience a reduction in income as a result of any policy change.
- 3.6..2. Corporate risk 24 is that 'Council does not meet CO₂ emissions reduction targets". The provision of pool cars with lower emissions than the average for the grey fleet will contribute to meeting these targets.
- 3.6..3. There is a risk that without suitable management and interventions people will continue to use their cars and there will be inadequate use of pool cars. This would mean that expected reductions in CO₂ will not materialise, and the service will be costly to run.

4. Conclusions

- 4.1. Leeds City Council needs to reduce its emissions throughout its operations which includes the grey fleet.
- 4.2. A review of grey fleet mileage and early introduction of pool cars has been agreed.
- 4.3. Procurement of a single supplier of a fully managed pool car facility based at city centre and other workplace sites needs to take place.

5. Recommendations

- 5.1. That the Director of Resources and Housing authorise PACS to carry out legal and financial checks on the CCS framework.
- 5.2. That the Director of Resources and Housing, if the framework proves acceptable following these checks, agrees to procure a Single Supplier Managed Service, to Provide Pool Cars, by direct competition from the CCS Framework.

6. Background documents

- 6.1. None