

ABERDEEN CITY COUNCIL

COMMITTEE	City Growth and Resources
DATE	11 May 2021
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Fleet Replacement Programme
REPORT NUMBER	OPE/21/100
DIRECTOR	Rob Polkinghorne
CHIEF OFFICER	Mark Reilly
REPORT AUTHOR	John Weir
TERMS OF REFERENCE	1.1.5.

1. PURPOSE OF REPORT

- 1.1 The report seeks approval of the updated Fleet Replacement programme for 2021/22.

2. RECOMMENDATION(S)

That the Committee: -

- 2.1 Approves the phase 1 Fleet Replacement Programme for 2021/22 (as detailed in Appendix A) and notes that a phase 2 Fleet Replacement Programme for 2021/22 will be submitted to a future meeting of this committee;
- 2.2 Instruct Chief Officer Corporate Landlord in consultation with Chief Officer Operations and Protective Services and Chief Officer Strategic Place Planning to report to a future meeting of this committee with a programme of infrastructure improvements to support increased numbers of electric vehicles within the council fleet, and
- 2.3 Delegates authority to the Chief Officer – Operations & Protective Services, following consultation with the Head of Commercial and Procurement Services and Chief Officer – Finance, to consider and approve procurement business cases for vehicles and plant for the purposes of Procurement Regulation 4.1.1.2; and thereafter to procure appropriate works and services, and enter into any contracts necessary for the vehicles without the need for further approval from any other Committee of the Council.

3. BACKGROUND

- 3.1 The phase 1 Fleet Replacement Programme for 2021/22 is attached in Appendix A.
- 3.2 As previously reported, the purpose of the Fleet Replacement Programme is to ensure the Council maintains an optimum operating age profile of the HGV

Fleet to a maximum 7-year profile and vans to 5-year profile. The programme also provides for the replacement of an assortment of mobile plant and small hand-held plant. This ongoing practice aims to minimise expensive repair costs and give an enhanced residual value of the asset on replacement.

- 3.3 The programme has also been updated to reflect the Council's Net Zero ambition to work towards de-carbonising its in-house Fleet and introduce new vehicles with the latest technology with reduced emissions.
- 3.4 To maximise development of a greener fleet, existing vehicles which are not due for replacement will be considered for conversion to dual fuel. This strategy will also be applied to vehicles already ordered and awaiting delivery e.g. Refuse collection vehicles. This also links into the Transportation Strategy Plan for clean transport for the city and presents an improved on-the-road image to the public of Aberdeen.
- 3.5 Where alternative refuelling infrastructure is not currently available but is planned Fleet Services is working with manufacturers to allow for dual fuel (a vehicle can operate on both diesel / hydrogen, or diesel / electric) capability so that the fleet age and environmental footprint remains optimised, with the associated benefits, and the ability to move the fleet onto alternative fuels is maximised.
- 3.6 Fleet Services will, wherever feasible, replace existing fleet with vehicles and plant that will dramatically reduce air pollution and will seek to work with manufacturers to see where the Council can extend the use of ultra-low and zero emission vehicles. The inclusion of these vehicles will increase our zero emission fleet to 15% as we progress on our journey away from carbon fuel. Further details on how we intend to replace the fleet will be detailed in the Phase 2 report.
- 3.7 The service is working in collaboration with Finance and other services to maximise the numbers of alternative fuel powered vehicles and plant within the fleet using the current capital budgets and is actively seeking additional external grant funding. Consideration is being given to different ways of funding alternative fuel vehicle replacements.
- 3.8 The Fleet Replacement Programme has a dependency on a developed infrastructure to fully deliver non carbon fuels. Currently the Council is considering EV recharging facilities and capacity for future council fleet replacements, which follows from the report to this committee on 3 February 2021 "Electric Vehicle Framework for Aberdeen" COM/21/019. This work will need to be carried out and charging points strategically placed to ensure that all vehicles can be recharged prior to commencement of daily operational activities.
- 3.9 It is intended that a report will be submitted to a future meeting of this committee for further fleet replacements (phase 2 for 2020/21) in conjunction with options for the roll out of a strategical placed EV recharging infrastructure for the council fleet. This programme will be produced in collaboration with service users across the Council.

3.10 Current procurement processes are being actively supported by the Commercial and Procurement Services team, to allow engagement with potential suppliers and negotiate procurement efficiencies where possible. The introduction of new fuel technologies is manifesting in the market as a wider range of purchase options, including variations of traditional contract hire / lease models. The Fleet service is actively reviewing these options in conjunction with Finance, Commercial and Procurement Services, with a view to identifying potential cost saving opportunities for the Council.

4. FINANCIAL IMPLICATIONS

4.1 The proposed programme for 2021/22 is contained within the £28.107 million budget profile for the Fleet Replacement Programme for financial years 2021/22 - 2025/26 approved by Council on 10 March 2021.

5. LEGAL IMPLICATIONS

5.1 The Council holds an Operator's Licence for the Council's fleet which is a Statutory Requirement. Vans and LGV vehicles have a limited optimum life. All vehicles have a planned replacement date. The longer vehicles are operated beyond this date the greater the risk of defects arising in these vehicles. If these vehicles continue to be operated, there is the potential for increased Defects which can impact on the Council's Operator's Licence.

6. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	Impact on the Revenue Budget for temporary hire of other vehicles and ongoing maintenance.	(M) (M)	Continued investment in the Fleet Replacement Programme including the introduction of alternative fuelled type vehicles may impact on the Capital Budget in the foreseeing future. New vehicles will reduce the need to hire vehicles to cover older vehicles and will reduce maintenance costs required to operate older vehicles. There is a risk that the transition from traditional carbon-based fuels to alternative fuelled vehicles may result in delays in the vehicle replacement programme. This may see an increase in maintenance and hire costs to temporarily bridge the gap of this

			technology transition.
Legal	Accumulating notices and warnings from regulatory bodies Revocation of Operator's Licence	(H) (M)	Continued investment in the Fleet Replacement Programme reduces the risk of failure to comply with the requirements of the Operator's Licence.
Employee	Skill Set	(M)	Technicians require modern skill sets to maintain the changing fleet from old to new technology.
Customer	All Services.	(L)	Non-replacement of vehicles and plant could impact on the ability of services to carry out their public duties.
Environment	No significant risk.	(L)	Replacement Programme will introduce alternative fuelled type vehicles which will reduce emissions and the Council's carbon footprint.
Technology	Modern Workshop	(L)	Adaption to existing workshop facilities and equipment.
Reputational	Reputational damage from loss of Operator's Licence.	(M)	Fleet Replacement Programme will enable the council to continue to meet the requirements of Operator's Licence.

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	<p>The proposals within this report support the delivery of :</p> <p>Policy Statement 1 – Build up our existing strength in hydrogen technology.</p> <p>Policy Statement 14. Work with both governments in order to unleash the non-oil and gas economic potential of the City.</p>
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	Investments in vehicles and equipment asset management will ensure fit for purpose council services, which benefit the wider economy of Aberdeen.
Prosperous People Stretch Outcomes	Investment in vehicles and equipment will enhance staff experiences, with improvements in technical training for employee's and productive time for services. .
Prosperous Place Stretch Outcomes	<p>The Proposals within this report support the delivery of LOIP Stretch Outcome 14 – Addressing climate change by reducing Aberdeen's carbon emissions by 42.5% by 2026 and adapting to the impacts of our changing climate.</p> <p>Aberdeen City Council is committed to reducing carbon emissions both within its operations and across the city as part of Net Zero Aberdeen. Reducing emissions from transport remains a challenge as it involves the need for behaviour change either in relation to changing method of transport or moving to the use of new and unfamiliar vehicle technology such as electric or hydrogen vehicles.</p> <p>Implementation of Telematics will result in a better understanding of Fleet usage and result in reductions on spend on fuel, tyres, wear and tear and increase utilisation of fleet vehicles. The introduction of the replacement Fleet Management system will give a better understanding of efficiencies within the Fleet Workshop which will</p>

	result in providing improved information to all service users of vehicles and plant.
Regional and City Strategies	<p>The proposals within this report support the Regional Economic Strategy & Action Plan, Energy Transition Vision, Strategic Infrastructure Plan, draft Regional Transport Strategy 2020, Local Transport Strategy, Hydrogen Strategy & Action Plan and Air Quality Action Plan by proposing procurement of appropriate net zero emission vehicles.</p> <p>The proposals within this report support the Regional Economic Strategy & Action Plan, Energy Transition Vision, Strategic Infrastructure Plan, draft Regional Transport Strategy 2020, Local Transport Strategy, Hydrogen Strategy & Action Plan and Air Quality Action Plan by proposing procurement of appropriate net zero emission vehicles.</p>
UK and Scottish Legislative and Policy Programmes	<p>The recommendations in this report contribute to the City's response to the Intergovernmental Panel on Climate Change set under the Paris Agreement and the UK Governments ambition to have Net Zero emission by 2045. The report also set out the City's plans to meet the Scottish Government's Climate Change (Emissions Reduction Targets) (Scotland) Act 2019.</p> <p>The recommendations in this report contribute to the City's response to the Intergovernmental Panel on Climate Change set under the Paris Agreement and the UK Governments ambition to have Net Zero emission by 2045. The report also set out the City's plans to meet the Scottish Government's Climate Change (Emissions Reduction Targets) (Scotland) Act 2019.</p>

8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Full EHRIA not required
Data Protection Impact Assessment	Not required

9. BACKGROUND PAPERS

None

10. APPENDICES (if applicable)

Appendix A: Projected Spend, Fleet Replacement Programme

11. REPORT AUTHOR CONTACT DETAILS

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Appendix A

Phase 1 Fleet Replacement Programme 2021/22

The list below is the phase 1 Fleet Replacement Programme for 2021 / 22 subject to further reviews to complete the programme later in the financial year.

Vehicles to be Purchased	Dual Fuel Conversions	Number Zero Emission
Large LGV Types		
Refuse Collection (RCV)(Fuel conversion – Hydrogen)	22	
Refuse Collection Electric		1
Refuse Collection Hydrogen		1
Non-LGV Types		
Electric Vehicles(Energy saving Trust)		14
Welfare Mini - Buses Electric		1
Electric Vehicles		14
Total Vehicles	22	31
Projected Vehicles Spend	£3,328,995	£2,035,998
Plant to Purchase		
Compact Sweeper Electric		1
Projected Plant Spend		£191,499
Total Projected Spend	£3,328,995	£2,224,497
Total Projected Spend	£5,556,492	