

ABERDEEN CITY COUNCIL

COMMITTEE	Communities, Housing and Infrastructure
DATE	20 th January 2016
DIRECTOR	Pete Leonard
TITLE OF REPORT	External Funding for Switched on Fleets Project
REPORT NUMBER	CHI/15/324
CHECKLIST COMPLETED	No

1. PURPOSE OF REPORT

The purpose of this report is to inform Members of the “Switched on Fleets” initiative, funded by Transport Scotland, the Scottish Government Transport Agency, and to seek approval for the expenditure of any funds allocated to the Council in the 2015/16 financial year.

2. RECOMMENDATION(S)

It is recommended that Members:

- a) Note the contents of this report
- b) Approve expenditure by the Council for the leasing of up to three electric vehicles, to be managed by the car club, using grant funding from the “Switched on Fleets” initiative

3. FINANCIAL IMPLICATIONS

If the Council leases electric vehicles (EVs) for three years then the Switched on Fleets funding will cover the full cost of this. At present, opportunities to lease three vehicles, using around £45,000 of funding, have been identified. The only financial implications for the Council concerning this are the cost of fuel, currently absorbed by the Council via the electric charge points. (Maintenance and insurance form part of the exclusive use car club cars costs already borne by the council). Given that two of the leased cars would replace two existing ones, this would not lead to any additional costs. There is potential for a third EV to be leased as an additional vehicle but this would only be done subject to a suitable budget being identified to cover the running costs, currently covered by the Council Travel Plan. At the end of the three year period, it is envisaged that these cars would be replaced by vehicles supplied by the car club operator.

If the Council was to ask Co-wheels to provide the vehicles instead, then this would lead to a much greater monthly bill for the Council, around £100 more per month per vehicle. Therefore, using this method offers the best value for money.

The vehicles must be ordered by the 31st March 2016 and delivered by 5th July 2016. Transport Scotland have also requested that they be advised in writing by the 5th of April of how much of the grant has been spent. If the Council fails to comply with this then it is likely to lose the grant which could have cost and reputational implications.

4. OTHER IMPLICATIONS

If approval is given, then the Council is required to return a signed acceptance form and adhere to the terms and conditions of the grant. The grant forms have been checked by legal staff in the Procurement team already and they are satisfied with the content.

By using the grant to lease EVs, this will allow the Council to add up to three new cars, to the Co-wheels Aberdeen fleet. These would be shared exclusive use cars, made available only to Council staff car club members Monday to Friday from 8am to 6pm and available to any member outwith these times. Two of the cars would be replacing older petrol cars and one would be adding capacity which will help to meet an increasing demand. Newer vehicles will ensure that the car clubs stays attractive to staff, while it will allow vehicles, now due for disposal, to be replaced by new, zero emission vehicles..

By continuing to improve the exclusive use fleet and by increasing the capacity, this could further help to improve air quality in the city. Aberdeen has three air quality management areas and encouragement of cleaner transport could assist with their removal.

The Aberdeen Local Transport Strategy (2008) contains the action *SUS AQ6* which states *ACC encourages the uptake of cleaner, low carbon vehicles and will work with NESTRANS to consider the potential of using parking policies to encourage the use of cleaner vehicles*. This gives the Council a great opportunity to lead by example in helping deliver this action.

5. BACKGROUND/MAIN ISSUES

- 5.1 Community Planning Aberdeen, the Aberdeen Community Planning Partnership (CPP), was contacted in August 2014 and informed of the "Switched on Fleets" initiative run by Transport Scotland, the Scottish Government Transport Agency. Transport Scotland are seeking to give grant funding to all Scottish CPPs to encourage them to add more electric vehicles to their fleets. Half of the CPPs received this funding in

the 2014/15 financial year with the remainder receiving it in 2015/16. Aberdeen was in the 2015/16 allocation.

- 5.2 In 2013, Transport Scotland launched “Switched on Scotland: A Roadmap to Widespread Adoption of Plug-in Vehicles”. This contained the commitment to almost complete decarbonisation of the road transport sector by 2050. EVs, with zero tailpipe emissions, are seen as a large part of realising this commitment.
- 5.3 Aberdeen City Council has already worked with Transport Scotland through various electric vehicle initiatives. Since 2010 it has received and been able to use grant funding to procure four electric vans, one electric sweeper, one electric car and several EV charge points for fleet use as well as developing a public EV charging network in the city. The Council has a good reputation for its work to promote EV uptake, having won a Scottish Transport Award in 2015 for “Powering Ahead with Electric Vehicles” while it regarded by EVAS, the Electric Vehicle Association Scotland to be the best EV Council in Scotland.
- 5.4 In 2012, following their winning of a Council tender, Social Enterprise Company Co-wheels established the Aberdeen Car Club. As well as providing on-street car rental to members of the public in Aberdeen, Co-wheels also replaced Aberdeen City Council’s pool car scheme, with the Council giving Co-wheels their pool car fleet to manage. Staff are therefore encouraged to use a Co-wheels car for work purposes instead of their own vehicle. Since 2013, the Co-wheels Aberdeen EV fleet has grown from one to sixteen, giving Aberdeen the largest EV car club fleet in the UK. This not only shows the faith in the technology by Co-wheels but it demonstrates Aberdeen’s suitability for EVs and the positive reaction to them from users. At present, of the 1176 Co-wheels car club members, 500 of these are Council staff. Currently, the Council books back nine vehicles from Co-wheels for the exclusive use of staff, four on a permanent basis and the other five Monday to Friday. The hire cost is paid for by the Council’s Travel Plan budget and is offered to the Council at a special rate, due to the fact the Council provided ten of the cars on the Co-wheels Aberdeen fleet. Given the number of staff using the car club, the exclusive use cars are very much in demand, meaning that staff members often have to overspill into the non-exclusive vehicles, which are not subsidised, incurring additional expense to the Council.
- 5.5 In September 2015, Community Planning Aberdeen received confirmation of its £108,421 award from Transport Scotland as part of the “Switched on Fleets” initiative. Based on estimated three year lease costs, provided by Transport Scotland, this should allow the leasing of around seven EVs. Only two of the partners - Aberdeen City Council and NHS Grampian - expressed an interest in using the funding. The Council has since met with NHS Grampian to establish how the funding should be split. As NHS Grampian were able to use the Aberdeenshire CPPs full allocation last year, they have suggested that the Council

have first opportunity to use the Aberdeen funding and will use what funding, if any, is left over. Transport Scotland have confirmed that the funding can be used for car club vehicles provided that those vehicles are used, at least on a shared exclusive use basis by Council staff for work purposes and the current provider Co Wheels has confirmed their interest. Discussions are continuing over how many vehicles, how deliverable this would be in the timescales and how much of the funding this would utilise.

- 5.6 The leasing of up to three EVs for the car club would use around £45,000 of the funding, leaving £63,421 remaining. Initial discussions with other Council services have identified other EV opportunities within the Council, however at present, potential plans are still being formulated so it is unclear which services will be taking these forward and how much funding may be required. The Council's Fleet Services have stated that they can assist with procurement of vehicles and have already been in discussions with manufacturers.

6. IMPACT

Improving Customer Experience –

Use of EVs, rather than fossil-fuelled ones, particularly in urban areas, gives customers a far better impression of the Council. Not only does it show the Council as being environmentally aware but the visibility of the Council using them for daily business helps make people more trusting of EVs. This might help encourage more of an uptake amongst other organisations and private individuals.

Improving Staff Experience –

Replacing an old vehicle with a new one is beneficial for staff and makes the service more attractive. EVs are much quieter and nipper than fossil fuelled ones so users tend to enjoy driving them more too.

Improving our use of Resources –

Using these funds would allow two vehicles, now coming up for five years old, to be replaced with brand new ones on the Co-wheels Aberdeen fleet and potentially allow an extra exclusive use vehicle for Council staff to be funded. Co-wheels prefer to replace vehicles when they are three years old, where possible, and this would help to facilitate this. An extra exclusive use car would encourage more staff to use the car club and mean that less money was spent on hiring non-exclusive use cars. Furthermore, using the funding allows Aberdeen City Council to positively engage with the Scottish Government and helping it realise its commitments might assist Aberdeen in attracting future government funding.

Corporate -

The project referred to in this report will contribute to delivery of the Smarter Mobility aims of Aberdeen – The Smarter City: *We will provide*

and promote a sustainable transport system, including cycling, which reduces our carbon emissions.

The project identified in this report will assist in the delivery of actions identified in the Single Outcome Agreement (SOA) 2013, in particular the Thematic Priority of Economic Growth and the Underlying principle of “Environmental Sustainability”

The project identified in this report will help realise the Strategic Infrastructure Plan Goal of “A better image for Aberdeen” by using cleaner, newer fleet vehicles.

Public –

Members of the public may be interested to know that the Council has been able to use Central Government funds to improve its service delivery and lease newer, more efficient resources

An Equality and Human Rights Impact Assessment (EHRIA) has not been undertaken as the projects listed in this report flow from the Regional Transport Strategy and the existing and emerging Local Transport Strategies, all of which have been, or will be, subject to their own EHRIAs.

A Privacy Impact Assessment (PIA) has not been undertaken as implementation of the projects outlined in this report should not impact on the privacy of any individual.

7. MANAGEMENT OF RISK

Although two of these vehicles should replace existing vehicles, the third one would not. Therefore, additional costs for insurance, fuel and maintenance may arise. This represents a Financial Risk to the Council. This will be minimised by ensuring that there is sufficient budget to cover running costs before it is procured. There are also risks which could arise from not using the funding. If the Council does not use this, then Transport Scotland might question the Council’s commitment to cutting carbon emissions from transport and improving air quality in the area, leading to fines and jeopardising the success of future bids for funding. These would be legal and environmental hazards.

8. BACKGROUND PAPERS

None.

9. REPORT AUTHOR DETAILS

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