

North Yorkshire Council

Environment Executive Members

01 November 2024

Part 1 of the Vehicle Replacement Programme 2024/2025

Report of Assistant Director – Environment and Transport

1.0 PURPOSE OF REPORT

- 1.1 To seek approval from the Corporate Director of Environment, in consultation with the Executive Member for Managing our Environment to proceed with the procurement process for vehicles required for April 2024 - March 2025 including short term hire.

2.0 BACKGROUND

- 2.1 The Fleet and Operations team provides a fleet management function to all Council services. This service includes the procurement, taxation, and maintenance of vehicles.
- 2.2 The current North Yorkshire Council vehicle fleet consists of 980 cars, vans, refuse collection vehicles, truck, tippers, minibuses, and other agricultural vehicles.
- 2.3 This report relates only to vehicle requirements for vehicle requirements 2024-2025. Future reports will be required to outline the new Vehicle Replacement Plan.
- 2.4 Former district and borough vehicle capital allocation already approved will be used to fund former district and borough replacements needed urgently.
- 2.5 Vehicles are procured using a mix of methods including contract hire, lease, purchase, and spot hire. The most economically advantageous method is chosen in most cases. Vehicles are replaced in “rounds” that are batches of vehicles.
- 2.6 The priorities for vehicle replacement are: -
- To enable services,
 - To maintain safety and compliance,
 - To reduce fleet emissions,
 - To focus on customer,
 - To achieve best value.
- 2.7 Additional vehicles - there may be the requirement for additional vehicles in the period 2024-2025 not included in the financial section. Any additional in-year vehicle requirements will be subject to the approval process stated in 3.1.

3.0 PROPOSED REPLACEMENT PROCEDURE

- 3.1 For new additional vehicles directorates must provide a clear indication that funding is in place and there is a clear need for the vehicle and the requirement will be subject to agreement by Environment ADs. For replacement of existing vehicles, the directorate is required to identify a continuing need for the asset as well as proof of budget funding.

- 3.2 The Fleet Service and user departments will discuss and agree suitable replacement vehicles considering corporate priorities and changing business need.
- 3.3 When replacing or providing a new vehicle, the following will be included in the consideration:
- Condition of vehicle
 - Mileage of vehicle
 - Requirement of the user department
 - Age of vehicle
 - Whole life costs incurred to date
 - Projected maintenance occurrences and costs
 - Existing fleet utilisation
 - Type of fuel of existing vehicle
 - Alternative fuels available and viable
- 3.4 The central Government buying standards for vehicles are as follows and the fleet team use these as guidelines: -
- For cars:
 - i. The default is zero or ultra-low emission at tailpipe with alternatives considered only in exceptional circumstances: any diesel car alternative must be certified as meeting Real Driving Emissions (RDE) standards (Euro 6d-TEMP or Euro 6d) where possible Euro 6d. Only compliant vehicles are now procured. Procurement decisions contribute towards meeting the Government Fleet Commitment 1 to electrify 25% of cars in central government department fleets by 2022.
 - ii. Fleet average of no more than 130 grams/kilometre of carbon dioxide (CO₂) emissions aiming for no more than 95 grams/kilometre from 2020 reflecting Regulation (EC) No 443/2009 setting emission performance standards for new passenger cars as part of the Community's integrated approach to reduce CO₂ emissions from light-duty vehicles.
 - iii. New cars must have a minimum Euro NCAP safety rating and a minimum 'Pedestrian Protection' score (to be defined).
 - For category N1 vans ('light commercial vehicles'):
 - i. The default is zero or ultra-low emission at tailpipe with alternatives considered only in exceptional circumstances: any diesel light commercial vehicle alternative must be certified as meeting Real Driving Emissions (RDE) standards (Euro 6d-TEMP or Euro 6d) where possible Euro 6d.
 - ii. Fleet average of no more than 175 grams/kilometre of CO₂ emissions aiming for no more than 147 grams/kilometre from 2020 reflecting Regulation (EU) No. 510/2011 setting emission performance standards for new light commercial vehicles as part of the Union's integrated approach to reduce CO₂ emissions from light-duty vehicles.
 - For all vehicles:
 - i. The default is zero or ultra-low emission at tailpipe with all vehicles certified as meeting a minimum of Euro 6 / Euro VI emission standard.
- 3.5 North Yorkshire Council plans to reach carbon neutrality by 2030 and the Fleet Service will always consider the use of ultra-low emission alternatives that are practicable and available.
- 3.6 In any event, vehicles will be procured that meet the latest emission standards with low CO₂ roadside emissions with the aim of ensuring the entire fleet meets Euro 6 standards where applicable.

- 3.7 When buying vehicles, we will make an assessment about which fuel type the vehicle will be. This assessment will be based on the whole life cost of the vehicle and fuel options, for instance diesel versus battery electric. Where an alternative fuel vehicle is only marginally more expensive than a fossil fuel vehicle then the alternative fuel vehicle will be chosen if practicable. The margin cannot be quantified and would be subject to the professional judgment of the fleet team on a case-by-case basis. Where an alternative fuel vehicle is significantly worse value for money then there will be a review of operational requirements and an options appraisal will be undertaken.
- 3.8 The number of incidences where an internal combustion engine vehicle is better value than a battery electric vehicle is likely to be low and the total cost premium of choosing a battery electric vehicle over a better value internal combustion engine vehicle is estimated to be low.
- 3.9 Where an alternative fuel vehicle is the best value option, but no charging point exists at its parking location, and where it is not practical or possible to install a charge point and other charging options have been explored then a fossil fuel vehicle will be chosen instead.
- 3.10 For vehicles that will be parked overnight at an employee's home and a home charger is practical then an electric vehicle will be chosen, and a charger installed in-line with the Council's home charging agreement.
- 3.11 The Fleet team will work collaboration with the Procurement and Contract Management Team in researching market options and costs to develop replacement options. All subsequent procurement activity will be progressed in line with the Public Contracts Regulations 2015 (as amended) and the Council's own Financial and Contracts and Procurement Rules. It is likely that there will be a range of procurement strategies required dependent on the varying vehicle types.
- 3.12 Vehicle utilisation will be discussed with the requesting service prior to procurement. Telematics information will be used to review the justification for new and replacement vehicle(s).
- 3.13 All vehicle specifications will be agreed with the requesting service prior to procurement. The vehicles will normally be of a basic standard specification meeting the minimum criteria to undertake the duties required. All vehicles will be fitted with rear parking sensors, air conditioning and cars will meet 5-star NCAP safety ratings. Additional specification requirements will require agreement with the relevant Head of Service.
- 3.14 The specification of general vehicles will be agreed with the service in advance of the tender process. Usually, the assessment will include the cost of the vehicle and the fuel efficiency for the estimated mileage and will include a decision on best value regarding hire, lease, or purchase options.
- 3.15 The specification high value or specialist vehicles will be agreed with the service in advance of the tender process. Usually, the assessment will include a quality assessment in conjunction with an assessment of the cost of the vehicle and the fuel efficiency for the estimated mileage and the assessment will include a decision on best value regarding hire, lease, or purchase options.
- 3.16 The procurement of vehicles for short term spot hire will usually be undertaken using an open process. The assessment will be based on fitness for purpose and then price only.
- 3.17 Prior to an order being placed confirmation will be sought from the budget holder that there is sufficient budget available to fund the vehicles.

3.18 All individual orders will be approved by the relevant signatory in line with the agreed delegation scheme.

4.0 ALTERNATIVE OPTIONS

4.1 We could continue to operate the existing vehicles, but this may lead to reliability issues due to the age of the vehicle leading to service disruption.

4.2 Many of the vehicles are in or near to the secondary leasing periods and lease companies can request the return of vehicles with little notice. This would require expensive short-term hires and may lead to service disruption.

5.0 FINANCIAL IMPLICATIONS

5.1 The Fleet Management Service will seek the following: -

Vehicle use	Total
RCVs	22
Parks	16
Minibuses	40
Street scene	28
Vans / Cars	81
Other - plant	30

5.2 This procurement is within the Council's policy framework and confirmation is sought to ensure appropriate budgets exist within the requesting service before the order is placed.

5.3 Estimated purchase / contract hire / lease base vehicle values based on a like-for like funding method: -

Funding Method	Estimated Value
Capital Purchase	£8.02m
Capital Purchase repaid through revenue	£5.8m
Revenue lease and contract hire costs	Annual Estimate £150k

5.4 The legacy district and borough capital budgets included in the current capital plan are: -

Legacy Capital Budget	Budget (k)	Committed (k)	Uncommitted (k)
24/25	£4,472.70	£4,751.40	£0.00
25/26	£3,081.40		£2,802.70
26/27	£4,000.00		£4,000.00
27/28	£937.00		£937.00
Total	£12,491.10	£4,751.40	£7,739.70

5.5 The Fleet Management Service will seek additional Invest to Save capital funding repaid through revenue budgets where required for the purchase of vehicles for former NYCC services where revenue budget exists. The value cannot be established until procurements have been undertaken but an estimate is provided above. If necessary, additional capital budget will also be sought in order to fund vehicle purchases. A further report will be brought forward for approval of any additional funding required following the procurement process once the value is known.

- 5.6 The funding method for the replacement vehicles may change from the current method upon procurement if an alternative funding mechanism is better value.
- 5.7 At the time of procurement an appraisal of possible funding options will be undertaken to determine the best value funding method. Where purchasing vehicles is better value, then a request will be made to secure an invest to save to loan.
- 5.8 Short-term hire of vehicles may be necessary to cover protracted maintenance downtime or urgent operational requirements. Short term hire may also be used if there is no long-term security of funding. The fleet team will seek confirmation of revenue budget prior to short term hire award with the relevant service.
- 5.9 Contracts for contract hire vehicles may be extended into secondary agreed periods to facilitate an orderly replacement programme, cover extended replacement lead times or in cases where there is no long-term guarantee of funding. The Fleet Management Section will monitor these extensions to ensure best value.

6.0 LEGAL IMPLICATIONS

- 6.1 Procurements will be undertaken for vehicles in accordance with the Council's Procurement and Contract Procedure Rules, and where applicable, the Public Contracts Regulation 2015. The procurement method proposed will be agreed with Legal and Democratic Services.

7.0 EQUALITIES IMPLICATIONS

- 7.1 Due to the large number of vehicles involved, along with the number of employees 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.
- 7.2 Passenger vehicles used on registered local bus services will be replaced with vehicles that support the enhancement of wheelchair accessibility on North Yorkshire Council services.
- 7.3 An Equality Impact Screening Form is in Appendix A.

8.0 CLIMATE CHANGE IMPLICATIONS

- 8.1 A Climate Change Impact Assessment is in Appendix B.
- 8.2 The default fuel type will be battery electric wherever it is assessed as a viable option for the vehicle being replaced.

9.0 REASONS OF RECOMMENDATIONS

- 9.1 The procurement of new vehicles will allow the Council to maintain an interim vehicle replacement programme to ensure services have access to reliable, safe, and sustainable vehicles.

10.0 RECOMMENDATION

- 10.1 It is recommended that The Corporate Director – Environment, in consultation with Executive Member for Managing our Environment, agrees to authorise the commencement of a procurement process for requirements for 2024-2025 for vehicle replacements and including short term hire for all services.

APPENDICES

Appendix A – Initial equality impact assessment screening form

Appendix B – Climate change impact assessment

Background documents: None

Michael Leah
Assistant Director – Environment and Transport
County Hall
Northallerton

Report Author – Andrew Sharpin, Head of Fleet

EIA Screening Form

Initial equality impact assessment screening form This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.			
Directorate	Environment		
Service area	IPT Fleet		
Proposal being screened	Vehicle Replacement Programme		
Officer(s) carrying out screening	Kelly Baxcter, Area Fleet Manager [East]		
What are you proposing to do?	Replace fleet vehicles		
Why are you proposing this? What are the desired outcomes?	Approval for the VRP 2024-2024		
Does the proposal involve a significant commitment or removal of resources? Please give details.	Yes – up to £15m		
Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYC's additional agreed characteristics As part of this assessment, please consider the following questions: <ul style="list-style-type: none"> To what extent is this service used by particular groups of people with protected characteristics? Does the proposal relate to functions that previous consultation has identified as important? Do different groups have different needs or experiences in the area the proposal relates to? <p>If for any characteristic it is considered that there is likely to be an adverse impact or you have ticked 'Don't know/no info available', then a full EIA should be carried out where this is proportionate. You are advised to speak to your Equality rep for advice if you are in any doubt.</p>			
Protected characteristic	Potential for adverse impact		Don't know/No info available
	Yes	No	
Age		No	
Disability		No	
Sex		No	
Race		No	
Sexual orientation		No	
Gender reassignment		No	
Religion or belief		No	
Pregnancy or maternity		No	
Marriage or civil partnership		No	
People in rural areas		No	
People on a low income		No	
Carer (unpaid family or friend)		No	
Does the proposal relate to an area where there are known inequalities/probable impacts (e.g. disabled people's access to public transport)? Please give details.	Yes - NYC Accessible Minibuses are being purchased as part of this plan, so will <u>benefit</u> the disabled.		
Will the proposal have a significant effect on how other organisations			

Appendix A

<p>operate? (e.g. partners, funding criteria, etc.). Do any of these organisations support people with protected characteristics? Please explain why you have reached this conclusion.</p>	<p>No – the vehicles in the plan, are replacing current vehicles already in use.</p>			
<p>Decision (Please tick one option)</p>	<p>EIA not relevant or proportionate:</p>	<p>ü?</p>	<p>Continue to full EIA:</p>	<p>ü?</p>
<p>Reason for decision</p>	<p>No adverse impact</p>			
<p>Signed (Assistant Director or equivalent)</p>	<p>Michael Leah</p>			
<p>Date</p>	<p>14/10/2024</p>			

Climate change impact assessment

The purpose of this assessment is to help us understand the likely impacts of our decisions on the environment of North Yorkshire and on our aspiration to achieve net carbon neutrality by 2030, or as close to that date as possible. The intention is to mitigate negative effects and identify projects which will have positive effects.

This document should be completed in consultation with the supporting guidance. The final document will be published as part of the decision-making process and should be written in Plain English.

If you have any additional queries which are not covered by the guidance please email climatechange@northyorks.gov.uk

Version 2: amended 11 August 2021

Please note: You may not need to undertake this assessment if your proposal will be subject to any of the following:
 Planning Permission
 Environmental Impact Assessment
 Strategic Environmental Assessment

However, you will still need to summarise your findings in the summary section of the form below.

Please contact climatechange@northyorks.gov.uk for advice.

Title of proposal	Vehicle Procurement former NYC services 2024/25
Brief description of proposal	To procure vehicles for former NYC services
Directorate	Environment
Service area	IPT Fleet
Lead officer	Andrew Sharpin
Names and roles of other people involved in carrying out the impact assessment	Kelly Baxter
Date impact assessment started	14/10/2024

Options appraisal

Were any other options considered in trying to achieve the aim of this project? If so, please give brief details and explain why alternative options were not progressed.

Services are encouraged to maximise the utilisation of their vehicles to reduce the number of vehicles required but a certain number of vehicles are required to discharge their functions. The default choice of vehicle will be battery electric where practicable and possible and offers good value.

What impact will this proposal have on council budgets? Will it be cost neutral, have increased cost or reduce costs?

The cost will be approximately £3.63M for vehicle provision for the former NYC services for 2023 – 24. There may be budget strain due to the inflation that has applied to the motor industry.

Former District purchases are excluded from this.

The longer plan 10 Year Plan, for the entire fleet is to follow, and will likely need investment.

How will this proposal impact on the environment? N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.		Positive impact (Place a X in the box below where	No impact (Place a X in the box below where	Negative impact (Place a X in the box below where	Explain why will it have this effect and over what timescale? Where possible/relevant please include: <ul style="list-style-type: none"> • Changes over and above business as usual • Evidence or measurement of effect • Figures for CO₂e • Links to relevant documents 	Explain how you plan to mitigate any negative impacts.	Explain how you plan to improve any positive outcomes as far as possible.
Minimise greenhouse gas emissions e.g. reducing emissions from travel, increasing energy efficiencies etc.	Emissions from travel	x			Potential decrease due to new more efficient vehicles		Choose battery electric fuel where possible
	Emissions from construction		x		N/A		
	Emissions from running of buildings		x		N/A		
	Emissions from data storage		x		N/A		
	Other			x	Purchase of new internal combustion vehicles ties us into fossil fuel usage.	Improve utilisation and encourage safe and fuel-efficient driving.	

<p>How will this proposal impact on the environment?</p> <p>N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.</p>	<p>Positive impact (Place a X in the box below where</p>	<p>No impact (Place a X in the box below where</p>	<p>Negative impact (Place a X in the box below where</p>	<p>Explain why will it have this effect and over what timescale?</p> <p>Where possible/relevant please include:</p> <ul style="list-style-type: none"> Changes over and above business as usual Evidence or measurement of effect Figures for CO₂e Links to relevant documents 	<p>Explain how you plan to mitigate any negative impacts.</p>	<p>Explain how you plan to improve any positive outcomes as far as possible.</p>
<p>Minimise waste: Reduce, reuse, recycle and compost e.g. reducing use of single use plastic</p>		x		<p>Current vehicles are not end of life and will be resold and reused</p>		
<p>Reduce water consumption</p>		x				
<p>Minimise pollution (including air, land, water, light and noise)</p>	x			<p>New vehicles have tendency to reduce particulates and NOx</p>		
<p>Ensure resilience to the effects of climate change e.g. reducing flood risk, mitigating effects of drier, hotter summers</p>		x				
<p>Enhance conservation and wildlife</p>		x				

<p>How will this proposal impact on the environment?</p> <p>N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.</p>	<p>Positive impact (Place a X in the box below where</p>	<p>No impact (Place a X in the box below where</p>	<p>Negative impact (Place a X in the box below where</p>	<p>Explain why will it have this effect and over what timescale?</p> <p>Where possible/relevant please include:</p> <ul style="list-style-type: none"> • Changes over and above business as usual • Evidence or measurement of effect • Figures for CO₂e • Links to relevant documents 	<p>Explain how you plan to mitigate any negative impacts.</p>	<p>Explain how you plan to improve any positive outcomes as far as possible.</p>
<p>Safeguard the distinctive characteristics, features and special qualities of North Yorkshire's landscape</p>		<p>x</p>				
<p>Other (please state below)</p>		<p>x</p>				

<p>Are there any recognised good practice environmental standards in relation to this proposal? If so, please detail how this proposal meets those standards.</p>
<p>The Government buying standards will be used as a guide to procurement standards.</p>

Summary Summarise the findings of your impact assessment, including impacts, the recommendation in relation to addressing impacts, including any legal advice, and next steps. This summary should be used as part of the report to the decision maker. The fuel type will be battery electric where this option exists and is practicable in terms of use and charging. The option must also offer good value. Where a battery electric vehicle option does not exist or is not practicable or does not offer good value then an internal combustion engine (ICE) vehicle will be chosen. If an ICE vehicle is chosen, then it will meet published buying standards.

Sign off section

This climate change impact assessment was completed by:

Name	Kelly Baxter
Job title	Area Fleet Manager
Service area	Fleet
Directorate	Environment
Signature	
Completion date	14/10/2024

Authorised by relevant Assistant Director (signature): Michael Leah

Date: 14/10/2024