

**North Yorkshire Council**  
**Corporate Director of Environment**

**9 July 2025**

**The Supply and Maintenance of Municipal Vehicles Hambleton**

**Report of the Assistant Director – Environment & Transport Services**

**1.0 PURPOSE OF REPORT**

- 1.1 To seek approval from the Corporate Director - Environment to proceed with the contract extension on the Specialist Fleet Services contract up to 30 November 2027.

**2.0 BACKGROUND**

- 2.1 This contract was procured by the former Hambleton District Council for the supply and maintenance of municipal vehicles.
- 2.2 The type of vehicles included, but not limited to:
- Refuse collection vehicles
  - Recycling collection vehicles
  - Street sweepers
- 2.3 Specialist Fleet Services Limited won the original tendered contract in 2015 and provided the vehicles through a lease arrangement and the maintenance of those leased vehicles. The contract also provides for a 'licence to occupy', which allows Specialist Fleet Services Limited to occupy a workshop in the Council depot on Darlington Road, Northallerton, for the purposes of maintaining the leased vehicles.
- 2.4 The contract has an initial term of ten years from 01 July 2015 to 27 June 2025, with the option to extend for a period of up to ten years.
- 2.5 As from 01 April 2023, LGR brought this contract into North Yorkshire Council alongside the various fleet and maintenance contracts from the other legacy authorities.

**3.0 DETAILED PRESENTATION OF THE SUBSTANTIVE ISSUE**

- 3.1 With the expiry of the initial term on 27 June 2025, the Council's Fleet Services team wishes to extend this contract to secure continued access to the leased vehicles and their maintenance at the Darlington Road Depot site.
- 3.2 Fleet Services are in the process of harmonising the various fleet contracts from the legacy authorities for the new Council. It is proposed to extend this contract for only two years and five months up to 30 November 2027. This date will co-inside with the conclusion of the four individual contracts for the four newest (72plate) RCVs operating under this overarching agreement.
- 3.3 The leased vehicles all have individual lease agreements which fall under the Master Lease Agreement as part of the original contract. During the initial term vehicles have been replaced as they aged meaning the lease term for the current vehicles is different from the original contract.

#### 4.0 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 It was explored to purchase new vehicles and maintain these through NY Highways instead of extending, but six of the vehicles to be replaced are split body meaning that they would be obsolete to operations before the end of the vehicle's life. This option would potentially also leave the Dennis Eagle (maintenance) element of the Specialist Fleet Services contract without enough work in their occupied workshop and could put the remaining vehicles at risk of downtime if the Dennis Eagle resource has been moved elsewhere.
- 4.2 There was exploration with internal workshops to see if there was a desire to inhabit the workshop at Darlington Road and bring purchased vehicles back in house and retain the Dennis fitters, however, the Workshop was not deemed a financially viable option, with many improvements required to the site. It should be noted that Dennis Eagle have also fitted out the workshop with appropriate kit and equipment that will be de-installed at the end of our contractual agreement with them. This investment in the facilities at Darlington Road was done based on the initial 10year contract, and there will be no financial penalty for us if we only take up a short extension period as opposed to the potential of a second 10year term that was indicated in the original contract.

#### 5.0 IMPACT ON OTHER SERVICES/ORGANISATIONS

- 5.1 Extending the contract allows sufficient time for either NYC or NY Highways infrastructure to be built and provisions to be put in place to accommodate the onboarding of the new purchased fleet to replace the contracted vehicles at the end of this term 30 November 2027.

#### 6.0 FINANCIAL IMPLICATIONS

- 6.1 The total spend to date through this contract is estimated at £6,160,428. This has been calculated using the records of the vehicles leased and maintained which we have access to. However, this contract was put in place in 2015, and Hambleton District Council will have leased and maintained other vehicles using this contract that we do not have records for. This means that the total spend will be higher in reality.
- 6.2 Through negotiation, the Council has been able to reduce the annual cost for the vehicle finance and maintenance costs for the extension period.
- Extension cost based on current annual cost for vehicles = £1,088,042.53 (incl VAT)
  - New Extension cost for vehicles = £827,059.20 (incl VAT)
  - Saving = £260,983.34 (incl VAT)

- 6.3 The vehicles that need to be extended and the extension cost:

Registration	Initial Term	Extension	Extension Cost (ex VAT)
VU21 DXD	01/03/2021 – 28/02/2026	01/03/2026 – 30/11/2027	£82,691
VU21 DXE	01/03/2021 – 28/02/2026	01/03/2026 – 30/11/2027	£82,691
VU21 DXF	01/03/2021 – 28/02/2026	01/03/2026 – 30/11/2027	£82,691
VU21 DXG	01/03/2021 – 28/02/2026	01/03/2026 – 30/11/2027	£82,691
VU21 DXH	01/03/2021 – 28/02/2026	01/03/2026 – 30/11/2027	£82,691
VU21 DXJ	01/03/2021 – 28/02/2026	01/03/2026 – 30/11/2027	£82,691
VK71 JBZ	01/12/2021 – 30/11/2026	01/12/2026 – 30/11/2027	£38,614
VK71 JCJ	01/12/2021 – 30/11/2026	01/12/2026 – 30/11/2027	£38,614
VK71 JCO	01/12/2021 – 30/11/2026	01/12/2026 – 30/11/2027	£38,614
VK72 UBD	01/12/2021 – 30/11/2026	01/12/2026 – 30/11/2027	£38,614
VK72 UBE	01/12/2021 – 30/11/2026	01/12/2026 – 30/11/2027	£38,614
Total Extension Cost (ex VAT):			<b>£689,216</b>

## **7.0 LEGAL IMPLICATIONS**

7.1 The original contract provides for an extension of “up to ten-years”. Therefore, an extension of two years and five months would be a permitted modification under Regulation 72(1)(a) Public Contracts Regulations 2015.

## **8.0 EQUALITIES IMPLICATIONS**

8.1 An Initial equality impact assessment screening form has been completed (Appendix A).

## **9.0 CLIMATE CHANGE IMPLICATIONS**

9.1 A Climate Change Impact report has been completed (Appendix B).

9.2 Whilst we will be extending eleven vehicles past their initial contracted life replacing with newer vehicles would not offer any benefit due to no electric or alternative fuel vehicles currently been fit for purpose to cope with the operation.

9.3 Extending these vehicles could see more economical alternatives becoming available to procure in line with their next replacement date.

## **10.0 REASONS FOR RECOMMENDATION**

10.1 The extension will allow to provide the Council with continuity of service in the Hambleton area for vehicles involved in refuse and recycling collection, street sweeping etc along with the maintenance of those vehicles whilst the Fleet and Waste harmonisation process takes place.

10.2 Extending up to 30 November 2027 ensures short term requirements are met, but ensures the Council is not tied into a ten-year extension for a contract which will not meet the Council’s long-term requirements after harmonisation has been applied across Fleet and Waste service areas.

10.3 The extension will co-terminate with the individual vehicle contracts at which point we will be able to purchase new vehicles (that will line up with our potentially revised requirements because of the harmonisation process) and have maintenance provide outside of the SFS contract potentially by in-house (or NY Highways) resource.

10.4 The revised cost rates negotiated for the extensions allow the council to generate significant savings over existing cost levels – as indicated in section 7.2.

## **11.0 RECOMMENDATION**

11.1 It is recommended that the Corporate Director – Environment agrees to authorise the extension of the Specialist Fleet Services contract to 30 November 2027.

## **APPENDICES:**

Appendix A – EIA Screening Form

Appendix B – Climate Change Implications Assessment

**BACKGROUND DOCUMENTS:** None

Michael Leah  
Assistant Director, Transport and Environmental Services  
Environment  
County Hall  
Northallerton  
20/06/2025

Report Author – Kelly Baxter – Area Fleet Manager  
Presenter of Report – Kelly Baxter – Area Fleet Manager

## EIA Screening Form

<b>Initial equality impact assessment screening form</b>			
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.			
<b>Directorate</b>	Environment		
<b>Service area</b>	Fleet		
<b>Proposal being screened</b>	The Supply and Maintenance of Municipal Vehicles Hambleton		
<b>Officer(s) carrying out screening</b>	Kelly Baxter		
<b>What are you proposing to do?</b>	Extend the SFS Contract in line with the last individual vehicle contract 30 November 2027		
<b>Why are you proposing this? What are the desired outcomes?</b>	To only extend SFS contract out to the last individual vehicles contract end date 30 <sup>th</sup> November 2027		
<b>Does the proposal involve a significant commitment or removal of resources? Please give details.</b>	Yes - £4.580M of cost (total for whole council £6.166M)		
<b>Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYCC's additional agreed characteristics</b>			
As part of this assessment, please consider the following questions:			
<ul style="list-style-type: none"> <li>• To what extent is this service used by particular groups of people with protected characteristics?</li> <li>• Does the proposal relate to functions that previous consultation has identified as important?</li> <li>• Do different groups have different needs or experiences in the area the proposal relates to?</li> </ul>			
<b>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 <a href="#">Equality rep</a> for advice if you are in any doubt.</b>			
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	

## Appendix A

<p><b>Does the proposal relate to an area where there are known inequalities/probable impacts</b> (e.g. disabled people's access to public transport)? Please give details.</p>	<p><b>No</b></p>			
<p><b>Will the proposal have a significant effect on how other organisations operate?</b> (e.g. partners, funding criteria, etc.). <b>Do any of these organisations support people with protected characteristics?</b> Please explain why you have reached this conclusion.</p>	<p><b>No – we are extending a current contract.</b></p>			
<p><b>Decision (Please tick one option)</b></p>	<p>EIA not relevant or proportionate:</p>	<p>X</p>	<p>Continue to full EIA:</p>	
<p><b>Reason for decision</b></p>				
<p><b>Signed (Assistant Director or equivalent)</b></p>	<p>Michael Leah</p>			
<p><b>Date</b></p>	<p>26/06/2025</p>			

## CLIMATE CHANGE IMPLICATIONS 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](mailto:climatechange@northyorks.gov.uk)

**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](mailto:climatechange@northyorks.gov.uk) for advice.

Title of proposal	The Supply and Maintenance of Municipal Vehicles Hambleton
Brief description of proposal	To extend the SFS Contract to 30 November 2025
Directorate	Environment
Service area	Fleet
Lead officer	Kelly Baxter, Area Fleet Manager
Names and roles of other people involved in carrying out the impact assessment	
Date impact assessment started	25/06/2025

<p><b>Options appraisal</b></p> <p>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.</p> <ul style="list-style-type: none"> <li>It was explored to purchase new vehicles and maintain these through NY Highways instead of extending - however six of the vehicles to be replaced are split body meaning that they would be obsolete to operations before the end of the vehicle's life. This option would potentially also leave the Dennis Eagle (maintenance) element of the Specialist Fleet Services contract without enough work in their occupied workshop and could put the remaining vehicles at risk of downtime if the Dennis Eagle resource has been moved elsewhere.</li> <li>Bringing the Dennis run workshop at Darlington Road back in house.</li> </ul>
<p><b>What impact will this proposal have on council budgets? Will it be cost neutral, have increased cost or reduce costs?</b></p> <p>Through negotiation, the Council has been able to reduce the annual cost for the vehicle finance and maintenance costs for the extension period.</p> <ul style="list-style-type: none"> <li>Extension cost based on current annual cost for vehicles = £1,088,042.53 (incl VAT)</li> <li>New Extension cost for vehicles = £827,059.20 (incl VAT)</li> <li>Saving = £260,983.34 (incl VAT)</li> </ul>

How will this proposal impact on the environment?		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?	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.	Emissions from travel			x	<p>Where possible/relevant please include:</p> <ul style="list-style-type: none"> <li>Changes over and above business as usual</li> <li>Evidence or measurement of effect</li> <li>Figures for CO<sub>2</sub>e</li> <li>Links to relevant documents</li> </ul>	Extending old vehicle contracts in line with the last individual	

<p>How will this proposal impact on the environment?</p> <p><b>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.</b></p>	<p><b>Positive impact</b> (Place a X in the box below where</p>	<p><b>No impact</b> (Place a X in the box below where</p>	<p><b>Negative impact</b> (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"> <li>• Changes over and above business as usual</li> <li>• Evidence or measurement of effect</li> <li>• Figures for CO<sub>2</sub>e</li> <li>• Links to relevant documents</li> </ul>	<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>reducing emissions from travel, increasing energy efficiencies etc.</p>					<p>vehicle contract. Newer vehicles could have less carbon emissions however 6 of the vehicles if we replaced would become obsolete before the end of the vehicle's life extending is the most financially viable option. No green vehicles currently on the market.</p>	
<p>Emissions from construction</p>		<p>x</p>		<p>N/A</p>		
<p>Emissions from</p>		<p>x</p>		<p>N/A</p>		

<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><b>Positive impact</b> (Place a X in the box below where</p>	<p><b>No impact</b> (Place a X in the box below where</p>	<p><b>Negative impact</b> (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"> <li>• Changes over and above business as usual</li> <li>• Evidence or measurement of effect</li> <li>• Figures for CO<sub>2</sub>e</li> <li>• Links to relevant documents</li> </ul>	<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>running of buildings</p>						
<p>Emissions from data storage</p>		<p>x</p>		<p>N/A</p>		
<p>Other</p>		<p>x</p>		<p>N/A</p>		
<p>Minimise <b>waste</b>: Reduce, reuse, recycle and compost e.g. reducing use of single use plastic</p>		<p>x</p>				
<p>Reduce <b>water</b> consumption</p>		<p>x</p>				
<p>Minimise <b>pollution</b> (including air, land, water, light and noise)</p>		<p>x</p>				

<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><b>Positive impact</b> (Place a X in the box below where</p>	<p><b>No impact</b> (Place a X in the box below where</p>	<p><b>Negative impact</b> (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"> <li>• Changes over and above business as usual</li> <li>• Evidence or measurement of effect</li> <li>• Figures for CO<sub>2</sub>e</li> <li>• Links to relevant documents</li> </ul>	<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>Ensure <b>resilience</b> to the effects of climate change e.g. reducing flood risk, mitigating effects of drier, hotter summers</p>		<p>x</p>				
<p>Enhance <b>conservation</b> and wildlife</p>		<p>x</p>				
<p>Safeguard the distinctive characteristics, features and special qualities of <b>North Yorkshire's landscape</b></p>		<p>x</p>				
<p>Other (please state below)</p>		<p>x</p>				

**Are there any recognised good practice environmental standards in relation to this proposal?** If so, please detail how this proposal meets those standards.

N/A

**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.

Whilst there is a mild impact that we will be extending vehicle leases surrounding emissions there is not currently a greener alternative on the market.

**Sign off section**

This climate change impact assessment was completed by:

<b>Name</b>	Kelly Baxter
<b>Job title</b>	Area Fleet Manager
<b>Service area</b>	Fleet
<b>Directorate</b>	Environment
<b>Signature</b>	
<b>Completion date</b>	

**Authorised by relevant Assistant Director (signature):** Michael Leah

**Date:**26/06/2025