



**OPEN REPORT
COUNCIL**

Council - 25 January 2024

VEHICLE REPLACEMENT PROGRAMME - 2023/2024

Report of the Director of Community & Environmental Services

Report Author and Contact Details

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Report Summary

The report requests the transfer £166,133 of funds already approved and allocated to the Vehicle Replacement Programme for 2024/25 into the current financial year.

Recommendations

1. To approve the transfer of £166,133 from the 2024/25 Vehicle Replacement Programme capital budget to the current year for the purchase of fleet vehicles.

Background Paper

Capital Programme Update Report (December – Council)

Member Approval Required

Yes

Which Committee

Council - Thursday 25th January 2024

Vehicle Replacement Programme 2023/2024

1. Background

- 1.1 On Thursday 14th December 2023, Council was presented with the Capital Programme Update Report (Appendix 1).
- 1.2 The report indicated that the Vehicle Replacement Programme, which forms parts of the Council's Capital Programme, was going to be underspent by £166,133. Therefore, the amount was moved into the following financial year as slippage.

2. Key Issues

- 2.1 The Clean and Green Manager has been working with the Council's Procurement Officer to purchase replacement vehicles for the Clean and Green service in line with the Council's Procurement Policy and funds already approved.
- 2.2 The underspend of £166,133 would not have been used as a saving and would have been used for the same purpose but in the following financial year. It is, however, required in this current financial year.
- 2.3 This does not require any increase in funds to those already approved by Members.
- 2.4 The procurement of the replacement fleet is a complex and well planned process that has proved successful in sourcing vehicles with the necessary additions, immediate availability, a competitive purchase price with a maintenance agreement included.
- 2.5 The current quote for the vehicles is on hold until 1st February. There is no guarantee that this price will be available past this point, should the procurement have to be repeated in April, when the funds become available under the current slippage programme.

3. Options Considered and Recommended Proposal

- 3.1 The recommendations are as follows:
 1. To approve the transfer of £166,133 from the 2024/25 Vehicle Replacement Programme budget to the current year for the purchase of fleet vehicles.
- 3.2 The above recommendation has been put forward as the most effective use of Council funds.

4. Consultation

- 4.1 The relevant officers have been consulted as part of this report. They include The Section 105 Officer, The Climate Change Officer and The Procurement Officer.

5. Timetable for Implementation

5.1

Date	Action
Thursday 25 th January	Approval from Elected Members
Friday 26 th January	The Clean and Green Managers raises the Purchase Order for the approval of the Director of Service (The Director of Community and Environmental Services). The Clean and Green Manager to place order with the supplier in line with the Council's Procurement Policy.
Friday 2 nd February	Expected delivery date.

5.2 The purchase of the vehicles includes a maintenance agreement which will be managed by the Clean and Green Manager.

6. Policy Implications

6.1 This report refers to the purchase of new vehicles to the Clean and Green Fleet. Ensuring the vehicles on the fleet are efficient and cost effective requires a renewal plan that balances their use with their maintenance costs. This contributes to the Corporate Plan Priority to keep the Derbyshire Dales Clean Green and Safe.

7. Resources Implications

7.1 The financial implications of the report's recommendations are minimal as the requested funds are already available within the approved budget for the 5-year capital programme. This report seeks a transfer of budget from 2024/25 to 2023/24. Approval of this report's recommendation will assist in obtaining the best price for these vehicles, before expected price increases in March, and while the required vehicles are available. The financial risk is assessed as low.

7.2 There are no implications to the Human Resources Team.

7.3 There are no implications to the Estates Team.

7.4 There are no implications to the Transformation and Joint IT Team.

8. Legal Advice and Implications

8.1 This report has taken consultation from Helen Mitchell, Director of Corporate and Customer Services.

8.2 There are no implications to the Data Protection Team.

9. Equalities Implications

9.1 There are no implications to the Equalities Team.

10. Climate Change Implications

- 10.1 The 2020 approved 'Path to net zero' strategy identified that the decarbonisation of fleet (shifting to vehicles with lower emissions) was vital if the Council is to achieve the target of being net zero by 2030
- 10.2 Fleet fuel use represented 31% of Council emissions in 2022/23
- 10.3 Since the strategy was developed fleet fuel use has decreased by approximately 25% due in part to:
- Changes in fleet composition, less efficient vehicles being replaced
 - Regular use of Hydrogen cleaning to remove a build-up of carbon deposits
- 10.4 The 'Path to net zero' assumed that there would be a commercially available and financially viable electric equivalent for any vehicle up to the size of a Ford Transit by 2030.
- 10.5 During the procurement process, electric equivalents to the vehicles requiring replacement were considered. The shift to electric vehicles (EVs) is something that needs to be carefully planned. While there are commercially electric alternatives available, officers did not have sufficient confidence to recommend them at this stage.
- 10.6 The following work needs to be undertaken to provide this level of confidence:
- Trials of EVs to be undertaken, proving their ability to meet operational needs in all local conditions
 - The Depot needs to be modified to allow a safe space for EV maintenance, with specialist tools provided
 - While the mechanics are all currently trained to EV/hybrid IMI Level 3 it is recommended that at least two mechanics complete the Level 4 course
- 10.7 EV charging points were installed at the Depot in November 2023. This means that trials of EVs can now begin, with the other work required to be undertaken in parallel (subject to a budget being available).
- 10.8 It is the intention of officers to trial replacement EVs in the classes of vehicles identified for replacement in the upcoming vehicle replacement programme and, where appropriate, make recommendations for the purchase of EVs.

11. Risk Management

- 11.1 The risk associated with this project has been identified as low. The finances have been approved previously as part of the Vehicle Replacement Programme budget and the relevant procurement procedures have been adhered to.

Report Authorisation

Approvals obtained from:-

	Named Officer	Date
Chief Executive	Paul Wilson	17/01/2024
Director of Resources/ S.151 Officer (or Financial Services Manager)	Karen Henriksen	17/01/2024
Monitoring Officer (or Legal Services Manager)	Helen Mitchell	17/01/2024