



EXECUTIVE BOARD DECISION

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| REPORT OF: | Executive Member for Environment & Communities |
| LEAD OFFICERS: | Strategic Director of Environment & Communities |
| DATE: | Thursday, 14 November 2024 |

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| PORTFOLIO/S AFFECTED: | Environment & Communities |
| WARD/S AFFECTED: | (All Wards); |
| KEY DECISION: | Y |

SUBJECT: Council Fleet - Vehicle Replacement Programme

1. EXECUTIVE SUMMARY

The Council's vehicle replacement programme has highlighted that several vehicles in the Council's fleet need to be replaced to reduce the financial impact on the Council from increased maintenance costs, vehicle hire costs and poor fuel efficiency due to the age of the vehicles. Vehicle failures can also affect the delivery of key services to the public and can lead to reputational damage to the Council.

Vehicle replacement will also help the Council to achieve emission targets where it is possible to purchase new vehicles which run on alternative fuels. At the moment, it is more cost effective to convert the smaller vehicles to electric with 14 electric vehicles now in the fleet. The larger vehicles still use diesel, although any new diesel vehicles are Euro 6 standard, the latest standard available to meet the emissions requirements.

The evaluation criteria for the procurement of fleet vehicles varies between specific vehicles, as the fleet does not just rely on a standard vehicle type, as there are variable body and machinery requirements.

New replacement vehicles are required across a range of services in different departments of the Council including the refuse and recycling service, the amenities service, the highways service, the building service, cultural services, welfare services and youth services

Additionally, the Council is required to implement a food waste collection service in spring 2026, the Government has allocated funding to assist with the purchase of new vehicles to undertake the food waste collections.

2. RECOMMENDATIONS

That the Executive Board:

- Delegate authority to the Strategic Director Environment and Communities in consultation with the Executive Member for Environment & Communities to procure the vehicles detailed in this report, utilising the £1.7m that has been earmarked in the 2023-2026 capital programme for vehicle replacement.
- Note the capital funding of £716,100 allocated by Government for the purchase of the vehicles required for the food waste collection service and approve that any shortfall in funding for these additional eight vehicles will be drawn from the Council's Asset Management Strategy fund in the Capital Programme.

3. BACKGROUND

The Council's Fleet Transport Manager is constantly reviewing options for alternative fuel usage and is seeking to switch the fleet from diesel to alternative fuels where possible, whilst considering the charging facilities which also need to be available. It should be noted that the electrical supply to Davyfield Road depot needs to be increased to allow for additional electric vehicle charging points to be provided at the depot.

Refuse and recycling service - the Council has a fleet of 17 refuse collection vehicles that are currently utilised for collecting household waste and trade waste throughout the Borough. The Council maximises the use of the refuse collection fleet with 4 vehicles from the fleet being used each week on a Friday and Saturday to collect the garden waste generated within the borough. The vehicles are of varying ages, the oldest two vehicles are now 7/8 years old and are becoming increasingly unreliable with increased maintenance costs and increased costs for overtime to ensure service completion, and to ensure that the income generated from trade waste is not lost.

Highways and Transport - the Highways service maintains the borough's roads and throughout the winter months have seven 4x4 gritting vehicles (one being 41 years old) each ensuring the roads are treated to reduce the risk of ice and snow forming. The age of the vehicles is increasing, and the reliability is reducing which is putting a huge strain on the service. The cost of a standard gritter is approx. £100,000 and the cost to replace the Unimog (which is 41 years old) starts at £175,000 and could reach upwards of £220,000.

Alternative options for the Unimog are being considered, one option is to purchase a Gritter mounted snow blower which will cost approximately £60,000. Another option is to hire in the equipment from a local contractor for the limited amount of time it is needed.

The Highways team have two hired in 3.5 tonne vehicles. The intention is to replace the 3.5 tonne vehicles with 7.5 tonne vehicles, to provide increased payloads and enable more equipment and materials to be transported to sites, thus reducing travel time from making multiple journeys. The larger vehicles can also be utilised for a variety of functions within the service. The cost to replace these vehicles is estimated at £75,000 each, the added cost of the vehicles would be offset against the costs the Council has been paying for hiring vehicles.

A decision to purchase a transportable tarmac hot box has been explored, to increase productivity and reduce wastage. The intention is to fit the hot box to one of our existing vehicles at a cost of £40,000, with a life expectancy of over 5 years. There will be a reduction in vehicle hire costs, as well as savings from reduced wastage.

Building Services - the building services team have a number of vehicles of varying ages, seven of these vehicles are to be replaced, the oldest are now circa 14 years old and showing signs of needing major repair work, the exterior is rusting, and the engines are failing and unreliable. Parts are becoming extremely hard to source, rendering the vehicle immobile for prolonged periods resulting in the need to hire vehicles to allow the service to continue. The Council's image is being compromised due to the poor state of the vehicles and when they are having to be repaired at the roadside. It is proposed that these seven vehicles are replaced with electric powered vehicles, the approximate cost to replace each vehicle with an electric vehicle is £30,000 each, they can use the existing shared charging points at the Davyfield Road depot.

The building services team also has several small 3.5 tonne tippers, two are included in the replacement program. Due to the nature of the job, these vehicles are working in demanding environments throughout the year, both vehicles are becoming unreliable, and the maintenance costs are increasing, the vehicles have come to the end of their useful lifespan and are uneconomical to repair. The option to replace these vehicles with electric vehicles has been explored but unfortunately the payload and towing capacity is not sufficient on an equivalent electric version. The cost to replace these vehicles with diesel vehicles is approx. £40,000 each.

Amenities team – the amenities team have several trailers and two are showing signs of age, the cost to replace the floors and repair the ageing braking and suspension systems mean that the two trailers are beyond economical repair. The cost to replace the two trailers is approx. £10,000.

The Amenities team and the Highways team have several 7.5 tonne tippers, two of these vehicles are over 13 years old and have become unreliable, with increasing maintenance costs. The sourcing of parts is proving more difficult and as a result, the vehicles are off the road for prolonged periods of time, thus impacting on productivity. These vehicles need to be replaced to ensure the services are not disrupted or delayed.

Welfare team - the Welfare team have six large minibuses, one of which is 16 years old and needs to be replaced as it is becoming increasingly unreliable and is proving expensive to maintain. The exterior and interior condition is poor and does not give a good impression when in use. Additionally, there is disruption from breakdowns that impacts on the vulnerable service users. Electric versions of such vehicles which can accommodate multiple wheelchair users are only available in a limited number of specialist coach-building companies, with purchase prices significantly higher than diesel powered vehicles. The approximate cost of a new diesel vehicle is £75,000.

Youth Services - the Youth Services team has two mini busses, which are each 17 years old. These vehicles are in poor condition and need major repairs which means the vehicles are beyond economical repair. These vehicles are often used to travel significant distances on a single tank of fuel or charge, the electric version cannot achieve the travelling distances required on a single charge, so a diesel option is needed. The approximate cost for each vehicle is £60,000.

Food waste collection service - In July 2024, Executive Board approved the Food Waste report and the recommendation 'to spend the indicative capital transitional costs on the provision of vehicles, items, and equipment necessary to enable food waste collections to commence within Blackburn and Darwen in June 2026. In order to deliver this new service, eight specialist vehicles are required for the collection of food waste. The Government has calculated the capital cost of vehicles for each local authority, although it is not yet known if the funding provided will cover the full cost until tenders have

been returned. The vehicles are expected to cost around £100,000 each, a proportion of the vehicle costs may need to be subsidised from the capital program to meet the service requirements, depending on the results of the tendering process.

The demand for these types of vehicles will be extremely high, given the majority of Councils in England will be procuring such vehicles at a similar time for the service commencement date. The Council will need to purchase these vehicles immediately to secure delivery prior to implementation of the service.

The procurement strategy for the fleet will continue as in previous years, via proven and established routes, utilising established framework contracts that have delivered the best value for the Council.

The evaluation criteria for each vehicle type that is required has been developed and will be finalised and agreed between the Head of Environment and the Head of Legal and Procurement. The criteria will be based on the overall cost, service needs and the dynamics of the type of vehicle being procured, whilst the body and chassis may be a standard design, there are many variables to be considered when evaluating the bids received, e.g. the provision of specialist lifting equipment, purpose built access and egress provision for minibuses, facilities for wheelchair access etc., all play a part on why separate evaluation criteria are used for different types of vehicle.

4. KEY ISSUES & RISKS

The main cause for concern in not replacing these vehicles would be reliability, which could result in a shortage of vehicles to complete statutory services such as the refuse, recycling, and trade waste services, thus affecting service delivery to customers and jeopardising the income generating services, such as trade waste, bulky waste and green waste. The availability of hire vehicles around the country is limited and as such, we are fully dependent on the availability of our own refuse collection vehicles.

There is also the impact of vehicle failures in other key services such as the welfare transport service, whose service users are often the most vulnerable members of our community who rely on the Council to provide them with transport in a reliable and safe manner.

An ageing fleet with poor emission standards also impacts on the Council's ability to achieve one of its core missions to deliver our climate emergency action plan and tackle the climate emergency.

A procurement strategy for the Council fleet enables the Council to manage and monitor its capital and revenue commitments for the operation of its fleet.

5. POLICY IMPLICATIONS

The Corporate Plan states that 'to help achieve our missions, the Council will be innovative and forward thinking and tackle the budget challenge'. The vehicle procurement and replacement program enables the Council to reduce the financial impact from increased vehicle maintenance costs, it helps to reduce vehicle hire costs and improves fuel efficiency by purchasing alternative fuel vehicles or more modern diesel vehicles to Euro 6 standard to meet the emissions requirements.

6. FINANCIAL IMPLICATIONS

The cost of the new vehicles will be funded from £1.7m budget that has been earmarked in the 2023-2026 capital program for vehicle replacement. The cost of the eight vehicles required for the food waste collection service will be funded via the Government capital funding allocation, however any

shortfall would have to be funded by the Council. This will be funded by way of a virement from the Asset Management Strategy Fund in the Capital Programme.

The Council would seek, as in previous years, to finance the purchase of the new vehicles not funded by grant through a “sale and lease back” arrangement which is managed by the Council’s Finance team. Assuming this is the best option, the Council would lease the vehicles over a minimum of a five-year period, although as set out in this report, the Council does retain vehicles for longer than 5 years where this is possible, on a reduced secondary lease. All vehicle costs continue to be borne by the revenue budgets of the respective services. If leasing is not the most economical or viable option, the Council would finance the vehicles through Prudential Borrowing.

All options regarding the funding of the vehicle replacements will be considered by the Council’s Finance team. The respective revenue budgets would then be adjusted to finance this cost although current estimates indicate that the financing (revenue) costs of the vehicles referred to in this report can be met from within existing budgets.

Aside from the vehicles required for the Food Waste Collection Service, the cost of operating the vehicles referred to in this report (Drivers, repairs and maintenance, insurance and fuel) are assumed to be contained within existing budgets. For the Food Waste Collection Service, the Government has yet to provide any indication of revenue funding to operate the service to match the capital grant for acquisition of the vehicles (and caddies for collecting the food waste). The cost of operating the Scheme will, however, be the subject of a further report to the Executive Board in due course.

The Council has set a target of becoming carbon neutral by 2030. In this report, there are plans to purchase several electric vehicles to help achieve the target. There is likely to be additional costs in providing sufficient additional charging facilities at the Davyfield Road depot, which are presently being discussed and reviewed, with capital funding bids to be considered for increasing the capacity of the main electric substation which provides electricity to the depot.

7. LEGAL IMPLICATIONS

The Council as a Waste Collection Authority (WCA) and a Waste Disposal Authority (WDA) has a legal duty under the Environmental Protection Act 1990 to provide waste collection and disposal services in the borough, so the provision of an effective and efficient fleet is paramount.

A procurement exercise will be undertaken in accordance with the Council’s Contract Procurement Procedure Rules and Contracts shall be in a form approved by legal officers in the Contracts and Procurement Team.

8. RESOURCE IMPLICATIONS

The procurement and maintenance of new vehicles can be accommodated within existing resources.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

Consultation with the respective management teams across different departments has taken place to identify the best options for vehicle replacements to enable them to continue delivering services in the most efficient and effective way possible.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

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| CONTACT OFFICER: | Joanne Byrne/Tony Watson/James Gunning |
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| DATE: | 20/08/2024 |
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| BACKGROUND PAPER: | |
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