



CABINET 7TH APRIL 2021

SUBJECT: UPDATE ON FLEET REVIEW WORK AND TRANSITION TO ULTRA-LOW EMISSION VEHICLES

REPORT BY: CORPORATE DIRECTOR – EDUCATION & CORPORATE SERVICES

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1. PURPOSE OF REPORT

- 1.1 To provide Cabinet with an update on the work to review the council's fleet, with a particular focus on the transition to ultra-low emission vehicles.
- 1.2 To seek Cabinet approval to implement the actions identified as the next steps to reduce carbon emissions from our fleet.
- 1.2 To inform Cabinet that the contract of the Fleet Review Officer has been extended for an additional 2 years.

2. SUMMARY

- 2.1 On 11th November 2020 Cabinet approved funding of £297,371 to install EV charging points at Tir y Berth, Tredomen House and Ty Penallta. This infrastructure should allow up to 100 electric vehicles to be introduced into the Authority's fleet, depending on service area demand.
- 2.2 Significant progress has been made since this approval. It is anticipated that the charging points will be installed by the end of May 2021.
- 2.3 In May 2020 a Fleet Review Officer was appointed on a 12 months contract, based in the Policy and Partnerships Team to drive forward this agenda. This post has played a vital role in the progress to date. This post has now been extended using officer delegated powers for an additional 2 years until March 2023 at a total cost of £92,000. The extension will be funded from a reserve established from an underspend on the 2020/21 Carbon Energy Tax budget.
- 2.4 Work has been undertaken to better understand the make-up of our fleet, and the implications this has on our transition to ultra-low emission vehicles (ULEV). This work has identified the complexity of transitioning to ULEVs and this report sets out these challenges and the initial proposed actions to develop a programme of works to make the most efficient use of our fleet, whilst ensuring that the Authority becomes net carbon neutral by 2030.

3. RECOMMENDATIONS

- 3.1 That Cabinet notes the progress made to date as part of the fleet review and transition to ultra-low emission vehicles work
- 3.2 That Cabinet note the extension of the Fleet Review Officer post for an additional 2 years
- 3.3 That Cabinet approve the proposed actions set out in this report to continue the transition to ultra-low emission vehicles.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To contribute to the Council's commitment to become net carbon neutral by 2030.
- 4.2 To implement the actions set out in the approved Electric Vehicle Strategy and Action Plan and contribute to the overall Decarbonisation Strategy
- 4.3 To ensure that we make the most efficient use of our fleet and to ensure the transition to ULEVs

5. THE REPORT

- 5.1 On 11th November 2020 Cabinet approved funding of £297,371 to install EV charging points at Tir y Berth, Tredomen House and Ty Penallta. This infrastructure should allow up to 100 electric vehicles to be introduced into the Authority's fleet, depending on service area demand.
- 5.2 Significant progress has been made since this approval. Specific locations at Tir y Berth Depot, Tredomen House and Penallta House have been agreed. Purchase orders have been raised with Western Power Distribution for installation of additional electrical feeds to sites, where needed. Specifications and tender documents are being finalised. It is anticipated that the charging points will be installed by the end of May 2021.
- 5.3 In May 2020 a Fleet Review Officer was appointed on a 12 months contract, based in the Policy & Partnerships Team to drive forward this agenda. Work has been undertaken to better understand the make-up of our fleet, and the implications this has on our transition to ultra-low emission vehicles (ULEV).

Analysis of our current fleet

- 5.4 As of 31st December a total of 599 vehicles made up our fleet. This comprised of 113 vehicles that we own, 174 vehicles on hire (of which 2 were on short-term hire), and 310 vehicles on long term lease (generally 5 years) with the contracted provider, Specialist Fleet Services (SFS).
- 5.5 COVID-19 has had an effect on the number of vehicles in our fleet. The requirement for social distancing and the delivery of free school meals has resulted in 70 additional hire vehicles between March and August 2020.
- 5.6 In September 2017, CCBC entered into a managed service contract with SFS and began to take delivery of leased vehicles. We now lease a total of 310 vehicles from SFS. From September 2017 until January 2018 some 187 vehicles were provided to

CCBC on 5 year leases meaning that those arrangements will be up for renewal from September 2022 to January 2023. This provides both a significant opportunity and challenge. Many of these vehicles will be transit vans which are currently taken home by their drivers. Dedicated parking and charging places and changes to current working practices will need to be changed and implemented.

- 5.7 The charging infrastructure set out in the November 2020 Cabinet report will accommodate the first tranche of up to 100 vehicles. These will be predominantly small vans and it is anticipated that this capacity will be taken up before September 2022. Space and electrical capacity will also become more important as we move on to larger vans and the larger vehicles in our fleet.
- 5.8 Further analysis has been undertaken of the types of vehicles making up our fleet. At the 31st December 2020 our fleet was made up of 174 small vans, 123 medium vans, 54 minibuses, 126 tippers 38 refuse collection vehicles plus 4 x 4s, gritters, cars and other types of vehicle.
- 5.9 Analysis of vehicles by service area was also undertaken. As of 31st December 2020, Building Maintenance (Contract and Response) have the most vehicles (157 combined), followed by Cleansing Services (105), NCS (64) and Parks (58). No other single Service area has over 20 vehicles. A detailed work programme has begun with the key service areas, beginning with those with the highest number of vehicles.
- 5.10 Where vehicles are parked up overnight will be an important factor to consider as we move to EV's with the majority of them being charged outside working hours. Currently many vehicles are taken home by employees. For example, of the first 187 vehicles moved onto SFS long term leases 118 are currently taken home by employees.
- 5.11 Grey fleet (employees using their own vehicles on Council business) was identified as a key issue in the Fleet Review undertaken by the Energy Saving Trust. It identified that in 2018 CCBC employees drove over 3 million miles at a cost of just over £1.3 million to the Authority. In 2019-2020 Caerphilly CBC employees claimed for 3,363,827 business miles using their own vehicles, costing the council £1,513,722. The COVID-19 pandemic has significantly reduced the Authority's grey fleet miles. Comparing the calendar years 2019 and 2020 there was a reduction of 985,387 miles representing a reduction of over 29.5%. Projecting this forward to the financial year 2020-21, and assuming the reduction remains relatively constant, the expectation is that total grey fleet mileage will be around 2,368,134 miles, with an anticipated saving of around £448,000.

Ongoing work

- 5.12 Implementation of the works set out and agreed as part of the November 2020 Cabinet report is the current top priority as without this infrastructure we will not have the infrastructure to charge any new electric vehicles
- 5.13 Our first electric vehicles, 3 vans with electric ovens for delivering Meals on Wheels have been delivered. A further 6 vans for Building Cleaning will be arriving before the end of April 2021.
- 5.14 Ensuring that when vehicles are replaced, the most sustainable option is chosen will be a key element in the replacement programme. A new Vehicle Approval Process is being introduced. The new process is more robust ensuring that due consideration is given to all aspects of acquiring a vehicle before an order is placed and includes a

stringent authorisation procedure. This includes assessing whether the vehicle is needed, that the specification is correct and that the lowest emission vehicle is chosen.

- 5.15 Investigation work is being undertaken into the patterns of use of vehicles. Some may only be used for a couple of hours each day, or a couple of days per week. Initial work has started looking at potential shared vehicle schemes with the view of introducing a system to manage both CCBC pool vehicles and fleet vehicles that are not being fully utilised by a Service area.
- 5.16 Each winter we lease a number of 4x4s for 5 months at the cost of between £3,000 and £4,000 per vehicle. We have signed a Contract for Service with 4x4 Rescue Wales (4x4 RW) to provide winter cover for vehicles for key service areas including Meals on Wheels and Social Services. 4x4 RW are a registered charity who specialise in providing emergency 4x4 cover to help meet the needs of communities in crisis situations. 4x4 RW provide a 4x4 vehicle and fully trained driver with back office support. It is anticipated that changing to this new arrangement could potentially save up to £60,000 per year.

Next steps

- 5.17 Work is being undertaken and planned to reduce the total number of vehicles in our fleet from its current level of 600. However, within 10 years all of our vehicles will need to be ULEV, from our RCVs and highways vehicles to transits and small vans. Plans will need to be in place for how, when and where each of these vehicles are charged. The larger vehicles will need dedicated spaces where they are parked up overnight to charge and in the case of those vehicles subject to operator licencing ('O' licence) requirements, the charging point would have to be at the location specified as the vehicle's operating centre on the 'O' licence. Calculations will need to be undertaken to identify how often each vehicle will need to be charged based on the mileage it does. Charging vehicles at home may not be possible in most cases, however we will explore options for charging CCBC vehicles at employee's homes with the assistance of our managed service provider. In addition parking areas, probably as hubs around the county borough will need to be considered where these vehicles can park overnight whilst they charge, and where the user's vehicle can be parked when they come to collect the EV for work.
- 5.18 Between September 2022 and January 2023 there will be 187 vehicles leases due for renewal. Plans and an increase in the appropriate infrastructure will need to be in place to allow the replacement vehicles to be ULEVs. Further reports to Cabinet will be provided as the programme progresses.
- 5.19 Initially our EVs will be serviced by main dealers as our in-house garage and workshop do not have the equipment and our technicians do not have the qualifications and experience to deal with them. This is currently the most cost-effective solution. As set out earlier in this report there will however come a tipping point when providing this function ourselves will become a better option and will require investment in both training and equipment. This work will be supported by the Authority's managed service provider, SFS. In the interim, our technicians should at least have the knowledge and ability to make an electric vehicle safe.

Conclusion

- 5.20 2020 was far from a typical year, and this has had specific implications on the fleet review work. It has had some positive impacts, particularly on our grey fleet miles with savings of around £450,000 predicted. It has also resulted in a reduction in short-term hires (spot hires) with most of these being returned. It has however, in

some areas resulted in increases particularly in FSM deliveries and in additional vehicles to allow for social distancing, resulting in around 70 additional vehicles being hired between March and August 2020. Dealing with Covid has also meant that reviewing their vehicle usage has been pushed down the agenda for some services, and this has impacted the overall programme.

- 5.21 The detailed analysis of our fleet has revealed the scale and complexity of the issues to be resolved. Within 10 years all of our vehicles will be ULEV. The key challenges related to this will be:
- Agreeing the appropriate ULEV alternatives with services
 - Providing the space, locations and infrastructure, including the electrical capacity for charging these vehicles
 - Implementing changes to our servicing and maintenance provision to deal with EVs.
- 5.22 A second phase of infrastructure provision will need to be in place by September 2022 when many of the 5-year leases come to an end. This will require the ongoing input of those involved in the current infrastructure development, plus more specific input from Property, Fleet and individual services to identify and develop any potential hub locations and requirements. Details of proposed infrastructure requirements and cost estimates will be brought forward as the requirements become clearer
- 5.23 The Fleet Review Officer's original secondment ends in May 2021. Without this role the progress to date would not have been achieved, nor would the detailed understanding of our existing fleet or the work needed to transition to ULEVs. As a result, the post of Fleet Review Officer has been extended by 2 years to May 2023.

6. ASSUMPTIONS

- 6.1 The distance that vehicles can travel on a single charge is increasing as is the speed of charging, however the cost of the most rapid chargers is still high and we will therefore need to consider hubs with charging bays, at least in the short to medium term. New technology such as induction charging is also being developed and we will need to monitor and consider this as well.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 This report provides an update on achievements to date and therefore an Integrated Impact Assessment (IIA) has not been undertaken. An IIA has been initiated for the proposed next steps of the fleet review work and will be provided when those proposals are brought forward for a decision.

8. FINANCIAL IMPLICATIONS

- 8.1 This report sets out the achievements to date within the already approved budgets.
- 8.2 Detailed proposals for future phases of infrastructure provision and other initiatives will be developed and reports brought forward at the appropriate time.
- 8.3 The extension of the Fleet Review Officer post has been agreed using officer delegated powers for an additional 2 years until May 2023 at a total cost of £92,000.

The extension will be funded from a reserve established from an underspend on the 2020/21 Carbon Energy Tax budget.

9. PERSONNEL IMPLICATIONS

- 9.1 The programme of work to date has involved officers from across the Authority, most notably those from Fleet Management, Property, Procurement, Facilities Management and Policy & Partnerships. This cross departmental working, plus engagement from Service users will need to continue to deliver this programme.

10. CONSULTATIONS

- 10.1 The views of the listed consultees have been reflected within this report.

11. STATUTORY POWER

- 11.1 Ultra-low emission vehicles contribute to several of the Well-being goals within the Well-being of Future Generations Act (Wales) 2015.

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Consultees: Cllr J Ridgewell, Cabinet Member for Environment and Infrastructure
Cllr S. Morgan, Deputy Leader and Cabinet Member for Economy and Enterprise
Christina Harray, Chief Executive
Dave Street, Corporate Director, Social Services and Housing
Richard Edmunds, Corporate Director, Education & Corporate Services
Mark S Williams, Corporate Director, Economy and Environment
Rob Tranter, Head of Legal Services/ Monitoring Officer
Stephen Harris, Head of Financial Services & S.151 Officer
Sue Richards, Head of Education Planning & Strategy
Lynne Donovan, Head of People Services
Liz Lucas, Head of Customer and Digital Services
Marcus Lloyd, Head of Infrastructure
Rhian Kyte, Head of Regeneration and Planning
Rob Hartshorn, Head of Public Protection, Community & Leisure Services
Mark Williams, Interim Head of Property
Kathryn Peters, Corporate Policy Manager
Paul Rossiter, Energy & Water Officer
Clive Campbell, Transportation Engineering Manager
Mike Headington, Green Spaces and Transport Services Manager
Robert Mitcham, Fleet & Vehicle Maintenance Manager
Derek Morris, Contracts Manager
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