

Report title	Sustainable Fleet Management Strategy
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Department	Climate Change
Exempt?	No
Exemption type	N/A
Reasons for exemption	N/A

Purpose of report:

To recommend to full Council

Synopsis of report:

The Sustainable Fleet Management Strategy (SFMS) seeks to streamline and coordinate the Council’s activities associated with the management of its fleet. The outcome is intended to be the deployment of compliant assets in the right places at the right times to deliver safe, efficient services for the benefit of our communities, which offer excellent value for money. The strategy also sets out a road map to transition the Council’s fleet to net zero carbon emissions in line with climate change commitments set out in its Climate Change Strategy (adopted October 2022).

In summary, at the heart of the strategy are the aims to:

- Reduce the number of assets in the fleet;
- Reduce the number of miles driven through delivering services more efficiently;
- Reduce harmful emissions;
- Reduce risks associated with compliance.

This report seeks Member endorsement of the SFMS for Runnymede Borough Council together with a recommendation that the Strategy be endorsed by Corporate Management Committee at the meeting of 21st March 2024.

Recommendation(s):

1. The Sustainable Fleet Management Strategy for Runnymede Borough Council, as attached at Appendix A, be endorsed by the Environment and Sustainability Committee;
2. The Committee recommends that the Strategy be endorsed by Corporate Management Committee at the meeting of 21st March 2024.

1. Context and background of report

- 1.1 The Council's fleet is made up of 79 vehicles including Heavy Goods Vehicles (HGV), mini-buses, vans and specialist equipment, as well as approximately 34 pieces of hand-held machinery and equipment, 11 of which are battery operated. With the exception of the leased Meals at Home vehicles, the Council owns all of its fleet assets.
- 1.2 These assets are critical for delivering a range of Council services including:
- Collection of waste and cleansing services including commercial & green waste.
 - Passenger transport provision.
 - Maintenance of green spaces.
 - Maintenance of Council's estate housing stock.
 - Meals at Home service.
 - Parking enforcement functions
- 1.3 In the 2023 calendar year, the Council spent £698,349.87 operating its fleet (including fuel, maintenance, parts, leasing and insurance costs).
- 1.4 The Sustainable Fleet Management Strategy (SFMS) at Appendix 1 sets out how the Council will manage and deliver its fleet over a 10-year period from 2024-34.

2. Report and, where applicable, options considered and recommended

- 2.1 The SFMS sets out that the Council's vision guiding the Strategy is to 'provide an environmentally sustainable operational fleet which delivers safe, reliable services to our communities, and which is affordable to the Council'.
- 2.2 To deliver this vision the three guiding objectives of the Strategy are set out as follows:
- I. **Safe and compliant** - All assets which make up our fleet will be maintained in a safe and legal condition prior to use to minimise health and safety risks to our staff and members of the public, and to ensure that they are suitable for their intended use(s) to enable effective service delivery.
 - II. **Fit for purpose and offers value for money** - Assets will be treated as a corporate resource, and fleet requirements within service delivery will be regularly reviewed. The performance of assets will be monitored and reported with the aim of eliminating unnecessary expenditure.
 - III. **Environmentally friendly** – Over the period of the strategy, the Council will work towards moving its fleet assets to net zero, taking into account their life cycle and component parts (including fuel). Replacement assets or related initiatives will also be expected to contribute to improving local air quality by reducing other harmful emissions where possible.
- 2.3 The SFMS contains an Action Plan at chapter 9. This sets out a series of proposed short term actions (to be implemented between 2024 and 2026) to deliver these objectives. More information on the actions can be found at paragraph 2.6. In simple terms, in delivering the strategy objectives (through the implementation of the Action Plan), it is anticipated that the following will be achieved:
- Reduction of the number of assets in the fleet;

- Reduction of the number of miles driven through delivering services more efficiently;
- Reduction in harmful emissions.
- Reduction in risks associated with compliance with the relevant legislation and regulations.

2.4 Central to delivering on the Strategy vision and objectives is the proposal for the Council to move to a 'one fleet approach'. This means that the organisation and coordination of the Council's fleet will be centralised. This will be different from the current approach where operational and strategic responsibilities are split between the various service areas, mainly the Community Services, Customer, Digital and Collection Services, Housing and Environmental Services teams. Moving forward, the central Fleet Management team will sit within Environmental Services and the key responsibilities of this team will be as follows:

- Hold and maintain a centralised digitised database of fleet assets;
- Be the lead team responsible for all accident investigation and reporting;
- Lead on updates to the Capital Programme for replacement and new fleet assets;
- Lead on all procurement activity including the procurement of a new contract(s) for future vehicle acquisition and maintenance;
- Ensure compliance of all fleet assets.

2.5 Within the document, detailed information is provided on the following:

- Chapter 2: The relevant national and local policies underpinning the Strategy are set out (more information on this is provided in section 3 of this report (policy implications));
- Chapter 3 Sets out the vision and objectives of the strategy;
- Chapter 4: The current fleet profile and operating costs are set out;
- Chapter 5: The proposed fleet management arrangements under a One Fleet approach are described. This includes detailed information on the responsibilities of the Fleet Management Team, as well as setting out the role of Service Areas, Drivers/operators, Procurement and Finance teams;
- Chapter 6: Contains information on how the Council can work to make its fleet more environmentally friendly (transitional and longer term proposals). This relates to reducing carbon emissions as well as other harmful pollutants;
- Chapter 7: Contains a high level outline of what the strategic approach will be to future service delivery. Includes information on possible delivery models, the proposed review of the Capital Programme for asset replacements and future acquisitions, and the completion of the necessary procurement activity;
- Chapter 8: Provides information on the implementation, monitoring and review arrangements for the SFMS. Confirms that a steering group will be set up on adoption of the Strategy. Group members will work collaboratively to ensure a smooth transition to a One Fleet approach, coordinate the delivery of the SFMS Action Plan and ensure the efficient running of the Council's fleet. The chapter also proposes annual reviews of the SFMS with the Climate Change Working Party, and the establishment of KPIs.
- Chapter 9: Contains the short term Action Plan (2024-2026) which will be implemented to deliver the Strategy. Following a couple of overarching actions, the actions are split by objective.
- Chapter 10: Risk Assessment-summarises the key risks which could impact on the successful delivery of the SFMS.

2.6 When considering the actions in Chapter 9 in more detail, those related to ensuring that the fleet is safe and compliant largely include proposals to create and implement

a centralised fleet management system which will be linked to the DVLA database. The database will generate alerts when vehicles are due an MOT or need to be taxed. The database can also be set up to provide alerts when services are due and linked to staff in the repair workshop. Many of the remaining actions seek to use digital technology to store fleet records electronically and help drive efficiencies and improved monitoring.

- 2.7 The actions under the 'Fit for purpose and offers value for money' objective are largely related to robustly reassessing current and future fleet needs, using this process to deliver efficiencies and savings where possible. This information will be used to underpin a future procurement activity/activities, where it is envisaged that offering potential supplier's economies of scale will help ensure value for money.
- 2.8 The actions under the 'Environmentally friendly' objective are concerned primarily with transitioning the fleet vehicles to a preferred fuel choice of HVO fuel within existing budget and working to deliver the necessary EV charging infrastructure to support the transition of the fleet from internal combustion Engine (ICE) to EV assets.
- 2.9 Whilst the Strategy has been produced centrally by the Climate Change team, Heads of Service and other key officers who will be involved in the delivery of the Action Plan have been consulted throughout the production of the document.

3. Policy framework implications

- 3.1 A comprehensive Policy Overview chapter is provided at chapter 2 of the SFMS. This summarises the policy drivers at a national and local level which have underpinned the development of the strategy. This overview sets out how the strategy is seeking to ensure that the Council's activities are in line with national policy relating to the phase out of petrol and diesel vehicles (including HGVs) to meet national net zero targets.
- 3.2 The chapter also sets out how the production of the strategy seeks to deliver key objectives in the Council's Corporate Business Plan and its supporting strategies in the following key areas:

Climate Change Strategy (2022-2030)

- 3.3 Commits to reducing carbon emissions from Council operations to Net Zero by 2030. This would include the emissions from the Council's fleet.

Health and Wellbeing Strategy (2022-2026)

- 3.4 As one of its four strategic objectives, this strategy states that the Council aims to develop as an organisation, and develop its workforce to further support the wider health and wellbeing needs of residents in the Borough. Improving local air quality by reducing harmful emissions would support this objective.

Organisational Development Strategy (2022-2026)

- 3.5 Refers to the need to deliver efficiencies and improvements through collaborative working, use of modern technology and by supporting new and better ways of working. Also recognises that maximising the use of Digital Services can have a key role to play in achieving streamlined processes, delivering efficiencies and increasing cost effectiveness.

- 3.6 The strategy recognises that managers who co-ordinate the journeys of Council vehicles can minimise mileage and fuel emissions through logistical planning of routes and co-ordination of journeys.
- 3.7 The SFMS would also take forward Action 2 from the Council's adopted electric Vehicle Strategy (December 2023) which seeks to explore opportunities to implement electric vehicle technology within RBC for the fleet and employees.
- 3.8 Beyond the above, the Council's operations related to its fleet are highly regulated and must adhere to the 'O' Licence (Vehicle Operator Licence) terms and conditions, or best practice where vehicles are not operated under the 'O' licence, covering:
- Laws relating to driving and vehicle operation, relative to services, are observed.
 - Vehicle maintenance arrangements:
 - Drivers' hours and records management.
 - Vehicle overloading.
 - Maintaining our operating centres.
 - Provision of sufficient financial resource.
 - Professional competence.
 - Good repute
- 3.9 The Council must also ensure that it complies with health and safety legislation, Driver & Vehicle Standards Agency (DVSA) and Driver & Vehicle Licencing Agency (DVLA) rules and regulations as well as its own policies and guidelines covering vehicle and driver usage. Through the delivery of the actions contained in the Action Plan at chapter 9 of the SFMS, the Strategy seeks to reduce risks associated with compliance with these legislative requirements.

4 Resource and Finance implications

- 4.1 In terms of resource implications, the Fleet Management Team will be made up of existing staff, and supported by existing staff in other relevant teams, for example, Climate Change, Finance and Procurement. The creation of a One Fleet team has the potential to impact on the short-term increased workload of a number of staff, particularly in Environmental Services whilst new processes are implemented. Furthermore, whilst the implementation of the SFMS is listed in the Service Area Plan (SAP) for 2024/25 for Environmental Services, personnel from other Service Areas within the Council will need to contribute to a number of the actions contained within the Action Plan to ensure their successful delivery. This involvement from other Service Areas is not necessarily accounted for in all relevant SAPs. It is possible therefore that re-prioritisation of SAP activities may be required in some cases with the agreement of Corporate Heads of Service given that resources are finite and there are already a significant number of commitments in the 2024/25 SAPs across the Council.
- 4.2 In terms of finance implications, moving from procuring new fleet assets on an ad hoc basis to a more centralised procurement approach is considered to have the potential to result in savings for the Council due to benefits associated with offering a supplier(s) economies of scale over a longer time frame.
- 4.3 As set out in section 2 of this report, one of the outputs arising from the delivery of the SFMS and its Action Plan is expected to be reducing the number of assets in the Council's fleet. This has the potential to result in savings.

- 4.4 There are expected however to be additional costs associated with replacing existing diesel/petrol assets with zero emission alternatives. Chapter 6 of the SFMS which is concerned with 'Making our Fleet more environmentally friendly' sets out that at the current time, the up-front costs of purchasing Electric vehicles currently outweighs the cost of purchasing ICE vehicles. However, advancements in technology are expected to reduce the cost of electric vehicles over time. There will also be costs associated with installing charging infrastructure to support a move to electric vehicles.

5. Legal implications

- 5.1 The UK's Climate Change Act 2008 sets a legally binding UK-wide carbon budget and commits the UK to 'net zero emissions' by 2050. The UK has also signed and ratified the United Nations Paris Agreement – a legally binding international treaty - which commits signatories to keep the increase in global average temperature to well below 2 degrees centigrade above pre-industrial levels, and to pursue efforts to limit the temperature increase to 1.5 degrees centigrade.
- 5.2 The Council has adopted its own local target to reduce its operational activities to carbon net zero by 2030, although this target is not legally binding.
- 5.3 Failure to comply with O licence terms and conditions, health and safety legislation, Driver & Vehicle Standards Agency (DVSA) and Driver & Vehicle Licencing Agency (DVLA) rules and regulations also has legal implications. For example, the Council's O licence could be taken away, suspended or restricted by the traffic commissioner if the Council was found to have broken any of the terms or conditions of its licence, to not be meeting health and safety conditions, or if the Council was convicted of certain offences. The traffic commissioner could call the Council to a public inquiry to consider if any action was necessary which could include prosecution.
- 5.4 All potential purchase of vehicles will need to follow the Council's procurement rules.

6. Equality implications

- 6.1 The Council has a Public Sector Duty under the Equality Act 2010 (as amended) to have due regard to the need to:
- a) Eliminate unlawful discrimination, harassment or victimisation;
 - b) Advance equality of opportunity between persons who share a Protected Characteristic and persons who do not share it;
 - c) Foster good relations between those who share a relevant protected characteristic and persons who do not share those characteristics;

in relation to the 9 'Protected Characteristics' stated within the Act.

- 6.2 An EQIA screening has been carried out in support of this Strategy and this concluded that generally, by reducing emissions and delivering services more efficiently (both of which are high level aims of the strategy), by implementing the strategy, there should be a positive impact on service users and the wider community. Improving air quality through implementing the SFMS is identified as being particularly beneficial to the protected characteristics of age, pregnancy and maternity, and disability.
- 6.3 In terms of potential negative impacts, for some employees driving who may be driving electric vehicles in the fleet, there is potential for a negative impact arising

from difficulties, especially for older people, around plugging in cables due to reduced dexterity and strength. In addition, electric vehicles tend to be quieter than diesel and petrol vehicles and this can be problematic for those with disabilities who use sound for safety.

6.4 Overall, given the limited impacts identified through the screening, and the potential for mitigation to be put in place, it has been concluded that a full EqIA is not required.

6.5 The EQIA screening can be viewed at Appendix B

7. Environmental/Sustainability/Biodiversity implications

7.1 There are a number of positive environmental/ sustainability/ biodiversity implications expected to arise from the implementation of this Strategy. In particular, reducing the number of assets in the fleet and mileage driven would reduce harmful emissions. If the transitional arrangements described in chapter 6 of the strategy, including making Hydrotreated Vegetable Oil the Council's fuel of choice for the Council's fleet within budgetary constraints are approved, this is expected to achieve significant reductions in the Council's carbon emissions in the short term. The move to HVO fuel is also expected to reduce other local pollutants, which would also help improve local air quality (see section 3 of agenda item 11 and its supporting Appendix A attached to the HVO report for more detailed information).

7.2 In considering the Council's objective to replace its fleet assets with zero emission alternatives, most likely electric vehicles in the short/medium term, there are expected to be the following benefits:

- EVs release zero tailpipe emissions at street level improving air quality in urban areas;
- Emissions from electricity generation are usually displaced away from street level where they have highest human health impacts;
- EVs can be powered by electricity produced from sustainable energy sources;
- The lifetime carbon footprint of manufacturing, running and disposing of an electric vehicle is currently lower than for a conventional fossil fuel vehicle.
- Electric vehicles are very quiet compared to petrol and diesel vehicles. This has benefits for residents living alongside busy roads and benefits for the natural environment with reduced vehicle borne noise pollution.

8. Risk Implications

8.1 The SFMS contains a comprehensive risk assessment at chapter 10 of the document. The risk assessment outlines the current control measures incorporated in the policy and potential additional operational control measures that may further reduce risk of non-compliance with the strategy.

9. Other implications

9.1 As noted elsewhere in this report, the creation of a One Fleet team has the potential to impact on the short-term increased workload of a number of staff, particularly in Environmental Services whilst new processes are implemented. Officers are satisfied that there are sufficient resources in the Council to support the implementation of the strategy without the need for growth. This could include

through secondment opportunities, or through minor changes to the responsibilities attached to existing posts.

- 9.2 Action 1 of the Action Plan which is set out at chapter 9 of the Sustainable Fleet Management Strategy confirms that a key short term action will be, 'Clarifying the roles and responsibilities of the relevant existing staff who will, following the adoption of the Sustainable Fleet Management Strategy, form part of the Fleet Management Team, and also staff in the wider organisation who will be expected to support the delivery of this strategy'. Human Resources will assist with this process.

10. Timetable for Implementation

- 10.1 If the SFMS is endorsed by this Committee, it will then be considered for adoption by Full Council at the meeting on the 25th April 2024 and implemented on 1st May 2024.

11. Conclusions

- 11.1 The SFMS at Appendix A is considered to set out a comprehensive strategy for the management and delivery of the Council's fleet over the next 10 years. It will have an important role to play in terms of coordinating the Council's activities relating to its fleet, exploring efficiencies and opportunities to achieve value for money, and making the Council's fleet more environmentally friendly. It is therefore recommended that the strategy is endorsed by the Committee.

12. Background papers

- 12.1 The Committee is asked to refer to agenda item 11 on this committee agenda for more detailed information about HVO fuel, and the role it could play as a transitional measure to reduce emissions from the Council's fleet.

13. Appendices

- 13.1 Appendix A -Sustainable Fleet Management Strategy
- 13.2 Appendix B - EQIA