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Runnymede Borough Council

Sustainable Fleet Management Strategy: 2024-2034

April 2024

Contents

Chapter 1: Introduction

1.1 Runnymede Borough Council's (RBC) Sustainable Fleet Management Strategy seeks to streamline and coordinate the Council's activities associated with the management of its fleet by moving to a 'one fleet' approach. This means that the organisation and coordination of the Council's fleet will be centralised with the aim of improving efficiency, reducing costs, and providing compliance with government regulations. 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. Through the delivery of this strategy it is anticipated that the Council will be able to reduce the number of assets in the fleet, reduce the number of miles driven through delivering services more efficiently, reduce harmful emissions and reduce risks associated with compliance.

1.2 The strategy covers the period between 2024 and 2034 as this corresponds with the standard 10 year serviceable lifespan of a new vehicle.

1.3 For the purpose of this strategy, when references are made to the Council's fleet, this relates to all vehicles, mechanical equipment and machinery operated and required by the Council to deliver its services. This includes vehicles managed and operated by RBC on behalf of others through partnership arrangements, but excludes the vehicles of third party contractors employed by the Council where responsibilities relating to compliance and maintenance do not sit with the RBC. The use and maintenance of such vehicles is managed under other Council policies and processes. The strategy also does not include the Council's grey fleet (vehicles that are owned and driven by employees for business purposes). Separate polices and processes are to be developed in the future to address the grey fleet and sustainable travel.

1.4 The Council's fleet assets are vital in the delivery of services to our customers, which includes those who live in, work in and visit Runnymede. The high-profile brand of the RBC fleet amongst our communities has implications for the Council's reputation. A well maintained and efficient fleet together with high standards of driving and service delivery, contributes to public confidence in the Council and the services it delivers.

1.5 The Council's fleet must be fit for purpose and needs to be managed effectively to support efficient service delivery, and to ensure the health and safety of staff, customers, and the wider community.

1.6 This strategy also seeks to support the council's commitment to reduce carbon emissions from Council operations to Net Zero by 2030, and sets out the strategic framework that will guide the procurement, management and maintenance of all assets within the fleet over the lifetime of the strategy.

1.7 Elements of this strategy will be dependent on the availability of funding and associated supporting infrastructure as well as having sufficient flexibility to respond to advances in new technology and changing circumstances during the strategy's lifetime.

Chapter 2-Policy Overview

2.1 This chapter briefly summaries the policy drivers at a national and local level which have underpinned the development of this strategy.

National

2.2 Aligned to national net zero targets, policies related to the decarbonisation of UK transport have been introduced by the UK Government.

2.3 In this regard, in November 2020, The UK Government published its Ten Point Plan for a Green Industrial Revolution. Point 4: Accelerating the shift to Zero Emission Vehicles committed to banning sales of new petrol and diesel cars and vans by 2030, and confirmed that the sale of hybrid cars and vans that could drive a significant distance with no carbon coming out of the tailpipe would be allowed until 2035. The Government reemphasised these commitments in its Net Zero Strategy: Build Back Greener in 2021.

2.4 These targets were amended in 2023 with the Government pushing back the end date for the sale of new petrol and diesel cars and vans to 2035. The Zero Emission Vehicle mandate sets the regulatory framework for these amended targets and utilises a phased approach whereby 80% of new cars and 70% of new vans sold in the UK are to be zero emissions by 2030.[1]

2.5 Beyond cars and vans, the Net Zero Strategy: Build Back Greener (2021) also committed to take forward the pledge to end the sale of all new, non-zero emission road vehicles by 2040, from motorcycles to buses and Heavy Goods Vehicles (HGVs), subject to consultation.

2.6 The UK Government subsequently ran a consultation on the phasing out of new diesel HGVs from July to September 2021. The Government set out in its formal response to this consultation in May 2022 that HGV phase out dates will be applied according to vehicle weight. A 2035 phase out date will apply to rigid vehicles with a gross weight less than or equal to 26 tonnes, and any articulated HGVs with a gross combination weight less than or equal to 26 tonnes. A 2040 phase out date will apply to articulated HGVs with a gross combination weight greater than 26 tonnes.[2]

Local

2.7 The Runnymede Borough Council Corporate Business Plan (2022-2026) sets the vision for the Council “to be a community leader, providing high quality

[1] Department for Transport (2023) Government sets out path to zero emission vehicles by 2035. Government sets out path to zero emission vehicles by 2035 - GOV.UK (www.gov.uk)
[2] Department for Transport (2021) UK confirms pledge for zero-emission HGVs by 2040 and unveils new chargepoint design. UK confirms pledge for zero-emission HGVs by 2040 and unveils new chargepoint design - GOV.UK (www.gov.uk)

services, enhancing the environment, and advocating for our community's interest". It also sets out that in relation to climate change and environmental matters, the Council will play a key role in creating a greener environment and effective response to climate change.

2.8 Five corporate strategies support the Corporate Business Plan. Three of these are considered relevant to the development of the Sustainable Fleet Management Strategy. These strategies are set out below, along with the relevant key objectives from each.

Climate Change Strategy (2022-2030)

2.9 As one of its strategic objectives, this strategy 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)

2.10 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)

2.11 The strategy sets out that supporting new and better ways of working can deliver efficiencies and improvements. The Service Review process is noted as being central to driving positive changes which are not only beneficial to the Council but which help deliver better outcomes for our customers. Maximising the use of Digital Services is also recognised to have a role to play in terms of achieving streamlined processes, delivering efficiencies and increasing cost effectiveness.

2.12 In relation to the green agenda specifically, at a strategic level, this strategy considers the culture that the Council wishes to develop in the future, and as part of this notes that commitment to the green agenda is key. At an operational level, the strategy also 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.

Other relevant local strategies

2.13 There are other strategies adopted by the Council which are potentially relevant to the development of this Sustainable Fleet Management Strategy. In particular, the Council's Electric Vehicle Strategy 2023-2030 states that its main purpose is "to start to develop a borough wide approach in the period up to

2030 to encourage the transition from petrol and diesel vehicles to electric vehicles as part of a sustainable transport system".

2.14 To achieve this, the EV Strategy has the following aims which are considered relevant:

- "To help reduce carbon emissions and improve air quality in Runnymede".
- "To lead by example by ensuring our own Council fleet uses cleaner EV technology at the earliest opportunity, where it is practical and offers the taxpayer good value for money".

2.15 The EV Strategy contains a 7-point action plan which covers the period up to 2026. Action 2 is considered relevant to the Sustainable Fleet Management Strategy and the relevant parts of this action are set out below:

- Action Two: To explore opportunities to implement electric vehicle technology within RBC for the fleet and employees:
    - A review to determine the future service delivery model for the different elements of the Council's fleet is being undertaken, which will identify the future fleet requirements.
    - RBC will review the procurement route for new vehicle acquisitions, from the implementation date of this strategy, and this will include a business case and financial appraisal on a whole-life cost basis and the ability to transition from fossil fuels to electric vehicles and other emerging technologies.
    - Work with suppliers to ensure that the issue of using EV vehicles in place of internal combustion engines (ICE) vehicles has been considered for supplier contracts carrying out RBC work or services.

Chapter 3: Vision and Objectives

3.1 Effective management of fleet related assets is critical to the delivery and performance of Council services.

3.2 The Council's vision is to **provide an environmentally sustainable operational fleet which delivers safe, reliable services to our communities, and which is affordable to the Council.**

3.3 To deliver this vision, the objectives of the Sustainable Fleet Management Strategy are to ensure that the fleet is:

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.

Chapter 4- Fleet Profile & Operating Budget

4.1 As at January 2024, the Council's current fleet comprises of 79 vehicles. The fleet profile can be broken down as follows:

- 6 light goods vehicles
- 30 vans
- 13 Heavy Goods Vehicles
- 17 Minibuses
- 3 Mechanical sweepers
- 5 Specialist Vehicles
- 5 Mechanical Ride on equipment

4.2 Currently four vehicles are leased with annual maintenance and 75 vehicles are owned; the majority of which have been procured with maintenance undertaken via a third party contractor procured, and based on site at the council Depot.

4.3 The Council also owns and maintains 34 items of hand held equipment and machinery of which 11 are battery operated.

4.4 These assets are critical for delivering statutory and non statutory frontline services which include:

- 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

<u>Fleet Operating Budget</u>

4.5 At the time of producing this strategy, the gross book value of the assets which make up the Council's owned fleet stood at £4.6m with a net book value of £1.7m, indicating that most of the fleet are being run on past their estimated useful lives. The Council's overall annual fleet operating budget varies significantly from year to year. For the 2023 calendar year, it stood at £702,017.82 which can be broken down as follows:

Item	Spend/Amount (January-December 2023	Notes
Diesel use	261,652 litres £291,133.36	Existing vehicle fleet-based on 79 vehicles
Cost of leasing the Meals at Home vans	£18,257.79	For Meals at Home fleet from May

Running cost of EV Meals at Home vans	£3667.95	This includes the electricity used to fuel the van (£2591 and the diesel used to heat the ovens £1076.93). The cost of running the 4 diesel vehicles over the same period has been calculated at £5469.55 (or £1801.60 more expensive).
SFS Service and maintenance labour	£81,446.39	Also includes centre operating costs
SFS parts and materials	£139,183.33	Includes external works
Road Fund License	£13,979	
Fleet insurance	£154,350	
TOTAL	£702,017.82	

Chapter 5-Fleet Management Arrangements

Corporate Management Arrangements

5.1 From the adoption of this strategy, overarching responsibility for compliance with all requirements associated with the Council's Vehicle Operators Licence and for the maintenance and management of the fleet will sit with a centralised Fleet Management Team which is part of the wider Environmental Services Service Area.

5.2 The Fleet Management Team provides advice and guidance for all departments throughout the Council on all aspects related to fleet assets and operational related matters including fleet procurement.

5.3 The different functions of Fleet Management Team in relation to the management of the fleet are described below:

Act as the holder of Operator's Licence ('O' Licence) on behalf of the Council by maintaining safe and compliant assets.

5.4 Running a modern fleet is a safety critical operation that must ensure employee and public safety. This is achieved through delivering best practice in vehicle inspection, maintenance, operation, and procurement and ensuring compliance with all relevant policies and regulations.

5.5 In regard to the latter point, the Council's operations related to its fleet are highly regulated and must adhere to the 'O' 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

5.6 In addition to the above, the Council must 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.

Maintenance

5.7 Currently, in-house fleet assets are maintained via the Council's workshop by external providers to support the effective delivery of front-line services. This arrangement will be regularly reviewed to ensure best value for money and to

ensure that this model remains the most effective to deliver the objectives of this strategy, including those relating to climate change. Future procurement of such services will also require the flexibility to enable the Council to dynamically adjust activity volumes where alternative maintenance and repair arrangements are procured alongside fleet.

5.8 From the adoption of this strategy, accident investigations will be undertaken by the Fleet Management Team as well as arrangement of accident damage repairs in liaison with the Council's insurers and the DSO Health and Safety Manager, working with the designated service manager. This includes post-accident actions as may be appropriate.

5.9 External vehicle body shop repair facilities will continue to be used for accident damage repair. After each accident, where appropriate, the Fleet Management Team will also arrange driver refresher training and assess driver competency.

5.10 Warranty repairs are undertaken both internally and externally; whichever is deemed to be most effective in the circumstances to minimise asset downtime.

5.11 The frequency of servicing can vary depending on the type of vehicle. This is governed by the terms of the Council's Operators Licence, manufacturers recommendation and safety related compliance. In general terms the frequencies are:

- Annual service for all fleet asset types;
- Annual MOT for all Large Goods Vehicles (LGV) and small vehicles + three years;
- Six weekly inspections for O licence assets (i.e. LGV) and 12 weekly inspections for Public Service Vehicles (PSV) (i.e. mini buses);
- Six monthly inspections for light commercial vehicles;
- Yearly services for small plant.

Provision of professional advice to Service Areas on vehicle specification and operation

5.12 A short term action identified to deliver this strategy is to update the current capital programme which considers the timing and anticipated costs associated with replacement assets and new acquisitions over a rolling 10 year period. This update will identify, as far as possible, what the profile of the fleet will look like over the period of the strategy, including likely timings for asset replacement, as well as the acquisition of new fleet assets to meet anticipated future service needs. It will also incorporate the findings from a review of the current fleet requirements across all service areas. Once the updated capital programme has been agreed, when asset replacement is under consideration, the following factors will be key in determining whether to proceed in line with the agreed programme:

- Condition of vehicle
- Mileage of vehicle
- Age of vehicle
- Service unit's requirement needs
- Whole life costs incurred to date
- Projected future maintenance costs if retention a consideration
- Existing fuel type and carbon impact
- Alternative marketplace fuelling options available and viable.
- Carbon footprint of repair versus new

5.13 Based on the above, if it is determined a replacement asset is required, the Fleet Management Team will work in partnership with Service Areas to identify the core fleet requirements of any replacement vehicles, linked to service delivery, from which suitable replacements/new asset types that meet service requirements can be identified. Support will also be provided on the development of specifications, which will be signed off by both the Fleet Management Team and the Service Area, prior to the commencement of any procurement. This collaborative approach combines the expert knowledge and experience of Service Areas with that of the technical staff in the Fleet Management Team to ensure that specifications are designed to ensure that new and replacement fleet assets will meet current and anticipated future service needs.

5.14 Moving forward, the Fleet Management Team working with the Procurement Team will arrange and manage suitable vehicle and technology demonstrations as appropriate to enable Service Areas to sample the current market and advances in technology.

5.15 As part of the One Fleet approach, the Fleet Management Team will ensure that all fleet assets are supplied to operators with training, certification, support packages and warranties to ensure that they are used safely, and Service Areas are equipped with the knowledge to maximise any potential efficiencies and savings using auxiliary systems – such as equipment telemetry and CCTV. Where CCTV or other similar equipment is used, support from other areas of the Council (e.g. Data Protection, Human Resources) may be required.

Vehicle procurement

5.16 From the adoption of this strategy, procurement of approved new and replacement fleet assets in the capital programme is expected to follow a more centralised and streamlined approach, where all agreed fleet assets will be procured in a manner that enables the Council to ensure that maximum cost savings from economies of scale are achieved.

5.17 Given the lifespan of this strategy, it will be ensured that there is sufficient flexibility built into any contracts entered into to ensure that the Council is able to respond quickly to events which may occur in future years after the adoption

of the updated capital programme, for example to allow the Council to respond to new regulatory requirements which impact on service delivery.

Branding for fleet assets

5.18 It is important that the Council's fleet assets comply with our brand guidelines and present a professional and consistent face to our surrounding communities. In this regard, moving forwards, the Fleet Management Team will liaise with the Council's Communications Team to ensure that the branding for new fleet assets complies with corporate guidelines.

Storage and supply of fuel

5.19 Currently, the great majority of our fleet assets run on diesel. Fuel is supplied from one bunkered site (Ford Road Depot, Chertsey, KT16 8HG). The procurement and distribution of this fuel is managed by Environmental Services. Where assets are operated away from the Chertsey area, the most efficient arrangements for fuelling will be determined within service planning, including the potential procurement of fuel cards or services.

5.20 Fuel management is key to monitoring the use of fleet assets and detailed reporting is required to report on and manage CO_2 emissions. Work is underway to replace the fuel management system. The replacement system is expected to provide detailed reporting on fuel use by type, class and service area as well as carbon emissions. From the adoption of this strategy, the procurement and distribution of the fuel will be managed by the Fleet Management Team. Fuel consumption reports will be provided on a monthly basis to all service leads.

Disposal

5.21 When a vehicle is replaced or past its economic life, the Fleet Management Team will arrange for the removal of all livery and subsequent disposal of the asset.

5.22 Once de-commissioned, any asset owned by the Council will be sold in accordance with the processes set out in the Council's Financial Procedures.

Fleet Management responsibilities beyond the Fleet Management Team

5.23 The roles of other Service Area/teams in fleet management are set out as follows:

Service Areas

5.24 Should additional fleet assets be required over the lifetime of this strategy which are not contained in the updated capital programme, individual Service

Areas will be responsible for securing committee approval before the asset can be procured by the Fleet Management Team. As part of this process, Service Areas will be required to produce a robust business case clearly demonstrating the need, alternative options explored, anticipated costs of the new asset as well as setting out how the asset is to be funded.

5.25 Once a Service Area has secured the funding to acquire any new asset not included in the updated capital programme, the Fleet Management Team will then arrange for the sourcing of the asset, in consultation with the Service Area, via its contracted supplier, and maintenance thereafter.

Drivers/Operators

5.26 Drivers/operators of fleet assets are responsible for complying with all elements of RBC's driver policies, transport, and road traffic laws. They are also expected to use the assets in accordance with operating instructions and return them in good condition. Drivers/operators are expected to provide feedback to the Fleet Management Team on the suitability of fleet assets which they use to deliver services, and any demo vehicles they are asked to trial.

Procurement Department

5.27 The role of the Procurement Department is to provide specialist advice and support to the Fleet Management Team during the procurement process. They help ensure compliance with the Council's own procurement policies as well as public procurement regulations, and that the Council secures services and goods which offer good value for money.

Finance Department

5.28 The role of the Finance Department is to work with the Fleet Management Team and Service Areas to help produce, maintain and monitor a new sustainable, prudent and affordable capital programme to support this strategy and underpin future procurement activities. This will include identifying appropriate funding streams for future assets (both replacement and new) and providing robust challenges to assumptions to ensure maximum efficiency and financial sustainability in light of available resources.

5.29 Beyond this, the Finance Department will support Service Areas as the develop business cases for assets not within the updated capital programme over the strategy period, and should be consulted when the Fleet Management Team or Service Areas are faced with exceptional requirements i.e., rising fuel prices to seek potential budget virements or alternative sources of finance.

Chapter 6 – Making our fleet more environmentally friendly

6.1 At the heart of this strategy is a bold aim to significantly reduce our current carbon emissions in the short term, and then transition our fleet to zero emission assets in line with our 2030 operational net zero target. This is however contingent on feasible alternatives being available in the marketplace which are proven to be effective, and which offer the taxpayer good value for money.

6.2 Runnymede Borough Council Estate and Area Green House Gas emissions baseline report (formally endorsed October 2023) sets out that the Council's operational emissions stood at 1,283 tCO2e in 2021/22. Of this, emissions from the Council's fleet accounted for 591 tCO2e (46%).

6.3 During the 2023 calendar year, 261,652 litres of diesel were used in the Council's fleet. This equated to 657 tonnes CO2e.

6.4 Beyond reducing carbon emissions, this strategy also seeks to reduce the environmental and health impacts associated with our fleet, without compromising on the quality and efficiency of the services we deliver daily to our customers.

Marketplace overview: potential replacement technologies

6.5 The main types of technologies which could play a role in reducing emissions and other pollutants from the Council's fleet in the future on a pathway to net zero are:

6.6 Battery electric assets (Electric Vehicles): EVs are among the most readily available replacement technologies for existing internal combustion engine (ICE) fleet vehicles in the marketplace. The infrastructure to support EV continues to grow rapidly due to increased demand and policy supporting its rollout[3].

6.7 Although the upfront purchase cost of small EVs typically remain higher than ICE vehicles,[4] research suggests that production and purchase costs for EVs will reach parity with ICE vehicles by around 2025/26.[5,6] Specific to refuse collection vehicles, currently, the purchase cost of an electric is several times that of a diesel. When considering the whole life costs, research suggests that

[3] Department for Transport (2022) UK Electric Vehicle Infrastructure Strategy
[4] Uswitch (2022) What is the lifetime cost of an electric vehicle? https://www.uswitch.com/electric-car/ev-charging/what-is-the-lifetime-cost-of-an-electric-vehicle/
[5] Reuters (2022) Envision sees cost of electric cars at parity by 2025-2026. https://www.reuters.com/business/autos-transportation/reuters-impact-envision-sees-cost-electric-cars-parity-by-202526-2022-10-04/
[6] Fleet News (2021) Price parity for electric cars and vans 'within five years'. https://www.fleetnews.co.uk/news/latest-fleet-news/electric-fleet-news/2021/05/10/price-parity-for-electric-cars-and-vans-within-five-years

in relation to the operation of a small EV compared to a similar ICE vehicle, that EVs can be cheaper due to lower fuel, tax, and maintenance costs,[7,8] therefore offering a potentially cost effective alternative for local authorities looking to decarbonise their fleets.

6.8 Development and improvements to EVs throughout the motor industry continues, with new markets and market entrants increasing. This includes the introduction of battery electric HGVs.

6.9 Hydrogen based fuel cell electric vehicles (FCEV): Such vehicles are powered by electricity that is internally produced through chemical reactions between hydrogen and oxygen. The only tailpipe emission from this process is water. However, there remain several challenges associated with FCEVs. At present, the purchase cost of FCEVs is notably higher than petrol or diesel alternatives, as are the running costs. The comparable lack of hydrogen infrastructure and immaturity of the market across the UK stand as further restrictions.[9] Some in the industry believe FCEVs to be around 10 to 15 years behind the development of battery electric vehicles.[10] Specific to HGVs, fuel cell electric trucks (FCETs) are not yet being mass produced globally.

6.10 Biofuels: Produced from some forms of biomass material, including wastes, residues, and crops and can either be blended with fossil fuels or used in their place. According to the Department for Environment, Food & Rural Affairs, the most widely used source for biofuel production in the UK to fuel UK road transport is used cooking oil, followed by tallow and food waste.[11]

6.11 The principal benefit of biofuels is the CO_2 emission savings delivered compared to fossil-fuel sources over their lifecycle. This is because the biomass feedstock used to produce biofuel has captured carbon dioxide through photosynthesis during the cultivation process, therefore although the tailpipe emissions are not zero, the produced CO_2 emissions from the tailpipe are considered equal to that sequestered during production. Although many variables determine the lifecycle emission savings, a report by the International Energy Agency suggests typical reductions are between 32% and 98% for biofuels compared to fossil fuel sources.[12]

[7] Uswitch (2022) What is the lifetime cost of an electric vehicle? https://www.uswitch.com/electric-car/ev-charging/what-is-the-lifetime-cost-of-an-electric-vehicle/
[8] Electrek (2020) EVs are now cheaper to run than ICE cars per year in the UK. https://electrek.co/2020/07/22/evs-cheaper-per-year-ice-cars-uk/
[9] RAC (2020) Hydrogen cars: are they the future? https://www.rac.co.uk/drive/advice/buying-and-selling-guides/hydrogen-cars/
[10] Autocar (2023) A decade behind EVs and twice the price – but hydrogen isn't dead. https://www.autocar.co.uk/car-news/business-hydrogen/decade-behind-evs-and-twice-price-hydrogen-isnt-dead-yet
[11] Department for Environment, Food & Rural Affairs (2021) Area of crops grown for bioenergy in England and the UK: 2008-2020 (Section 1: Biofuels)
[12] IEA Bioenergy (2020) The Role of Renewable Fuels in Decarbonising Road Transport

6.12 In exploring the reduction in carbon emissions for the Council's fleet that could result if it was transitioned from diesel to HVO fuel, all fleet vehicles are presently fuelled on site at the Ford Road Chertsey depot using the onsite diesel tank and fuel management system. The fleet uses approximately 21,000 litres of diesel per month. In the 2023 calendar year, the fleet used 261,652 litres of diesel which equated to 657 tCO2e.

6.13 Using the fuel usage for the 2023 calendar year and the 2023 emission conversion factors from the Department for Energy Security and Net Zero (DESNZ), it is estimated that a 100% transition to HVO could result in a greenhouse gas emissions saving of up to 648 tonnes of CO2e per year. Taken against the 657 tCO2e generated by the diesel fuel use, this represents a significant potential reduction in emissions (98.6%). It is recognised however that the actual emissions saving achieved will be reliant on the feedstock from which the HVO fuel is generated, and also whether it is used alone or in a blend with diesel fuel.

6.14 However, limitations to these fuels exist, hence why they are often considered a transitional technology to support net-zero ambitions, rather than a long-term solution. Among these are the often-higher costs of production compared to fossil fuels (although this can be reduced by using waste materials),[13] limited biofuel feedstocks (particularly from waste sources which offer the dual-benefit of emission reductions and supporting circular economy principles), associated emissions from direct or indirect land-use change, and competition for biofuels within hard-to-decarbonise sectors, such as aviation and shipping.

6.15 For road transport, ethanol, biodiesel (FAME), and hydrotreated vegetable oil (HVO) are the most common biofuels used. However, biodiesel (FAME) must be blended with fossil fuels due to its poor cold flow properties and modern exhaust gas after-treatment systems, and ethanol also needs to be blended with fossil fuels, which limits emissions reduction potential from these sources.

6.16 HVO therefore is likely to be the most suitable form of biofuel to reduce emissions from the Council's fleet in the short to medium term. It can be used in neat form as a 'drop-in' (direct substitute) for fossil diesel, therefore providing full emission reduction potential and without the need for any additional maintenance or changes to existing operational procedures. As a solution for fleet vehicles which are harder to decarbonise using zero-emission technology, such as HGVs, HVO provides an alternative transitional solution.

6.17 In relation to local pollutants, studies which bridge multiple regions and vehicle types generally agree that HVO reduces the quantity of pollutants including carbon monoxide (CO), particulate matter (PM), and total unburned hydrocarbons (THC). Although nitrogen oxides (NOx) exhibit a more mixed picture, studies reviewed often also point to a reduction in these pollutants. However, it is important to note that the greatest reductions in pollutants tend to

[13] IEA Bioenergy (2020) Advanced Biofuels – Potential for Cost Reduction

be seen when the fuel used is 100% HVO, rather than a blend. For example, a study published in the 'Journal of Cleaner Production' provides a lifecycle assessment on the use of petro-diesel, HVO from palm and soybean oil, and bioethanol in various operating conditions in a diesel engine. Results showed that pure HVO led to a 30% reduction in NOx, 75% reduction in THC, 81% reduction in CO, and 55.3% reduction in PM.[14] Furthermore, the Technology Collaboration Programme on Advanced Motor Fuels found that NOx emissions when using HVO generally reduce by up to 16% but some engine technologies and adjustments can lead to increases up to 5%, PM emissions consistently reduce by 12-45%, and CO and HC emissions reduce substantially between 20-80% compared to sulphur-free diesel[15].

6.18 One specific consideration when considering transitioning to HVO fuel is the biomass feedstock used to produce it. According to a report by the International Energy Council for Clean Transportation in 2021, lifecycle emissions from HVO production can be higher than from fossil fuel sources dependent on the feedstock. This is because indirect land-use change which may be associated with specific feedstocks, such as palm oil and soybean oil, pushes emissions above those from fossil fuels.

6.19 Consequently, procurement of HVO as an alternative fuel for the Council's diesel fleet must ensure that the HVO fuel supplier chosen can deliver emissions benefits based on the feedstock.

6.20 In addition to the three technologies identified above, hydrogen ICE and hybrid solutions such as ICE-electric trucks are also available or in development. However, whilst these solutions provide a reduction in emissions, they do not provide technological solutions that are capable of decarbonising to the extent and scale required to achieve the Council's 2030 operational net zero target.

Pathway to achieve a Zero Tail Pipe Emissions Fleet-transitional arrangements proposed

6.21 Based on the above literature review, it is considered that there are likely to be a number of steps that the Council needs to follow as part of its transition to a zero emissions fleet:

- Where possible, in the first instance the fleet will continue to be rationalised as transformation programmes develop, ensuring that vehicle utilisation is maximised whilst balancing the needs of a growing population and the operational needs that result;

[14] Roque, L. F. A. et al. (2023) Experimental analysis and life cycle assessment of green diesel (HVO) in dual-fuel operation with bioethanol. *Journal of Cleaner Production*, 389, article number 135989.
[15] Technology Collaboration Programme on Advanced Motor Fuels (n.d.) Emissions. [Online]. Available at: https://www.iea-amf.org/content/fuel_information/paraffins/emissions [accessed 14/11/2023].

- In the short term, and from the adoption of this strategy, as a minimum, it will be ensured that each replacement vehicle will be Clean Air Zone compliant. To be Clean Air Compliant[16], this the following standard must be met for each type of replacement vehicle:

Vehicle type	Clean air zone minimum standard	First registration dates
Buses, coaches, heavy goods vehicles	Euro VI	1st January 2014
Vans, minibuses, taxis, private hire vehicles, cars	Euro 6 (diesel) and Euro 4 (petrol)	Registered after January 2006 for petrol registered after September 2015 for diesel
Motorcycles	Euro 3	1st July 2007

- Where feasible and viable, diesel vehicles will be fuelled using HVO fuel;
- Once vehicles are clean air zone compliant and/or where manufacturer supported, fuelled via HVO fuel, where possible the lifecycle of assets will be extended whilst balancing the day-to-day maintenance costs until new technologies become common place in the marketplace and suitability is understood;
- Exploring possible future investment in ultra-low emission vehicles (ULEVs) and zero emission assets and infrastructure where accessible and proven in the marketplace.

Supporting infrastructure

6.22 Whilst ambitious, this strategy takes a measured approach in investing the Council's limited funds in the rapidly evolving area of zero emission or other ultra-low emissions vehicle (ULEV) technology and recognises that the Council is not best placed to stay on the cutting edge of technology development.

6.23 The Council, however, like any organisation looking to invest in a large number of zero emission vehicles, faces one significant challenge: charging infrastructure and capacity. As such, a short term action captured in the Action Plan at chapter 9 is to assess the suitability of shortlisted Council owned sites to deliver EV chargers for different types of vehicles. For example, exploring the suitability/availability of connection points, grid capacity and space constraints/ turning areas.

6.24 To realise the objectives of this strategy and work towards the achievement of a net zero fleet by 2030, investment in enabling infrastructure is a pre requisite and will necessitate funding. In the majority of cases, in the short to medium

[16] Clean air zones - GOV.UK (www.gov.uk)

term, this is likely to include investment in EV charging infrastructure. Both fixed charging points and mobile chargers will be explored.

6.25 In relation to supporting a transition to biofuels, the Council benefits from an existing fuel tank at the depot which is proposed to be used for the storage of HVO fuel.

Keeping pace with changes in technology

6.26 The future remains uncertain in that technology is continuously developing and different technology markets are at different stages of maturity. To achieve decarbonisation of the fleet in the longer term, it is likely that new technologies will become available which may mean that alternatives to the use of Electric Vehicles may become feasible and viable. As such, it is vital that this strategy and the Council's approach to its fleet is adaptable and able to respond to changes in technology over its lifetime. For example, as technology relating to hydrogen based fuel cell electric trucks (FCET) develops.

6.27 The Fleet Management Team will keep technology markets and available vehicles under regular review to identify feasible solutions to reduce emissions, whilst also providing operational efficiency and value for money.

Chapter 7-Strategic Approach to Future Service Delivery

7.1 Over the period of this strategy, and as part of the One Fleet approach to be adopted by the Council, the Fleet Management Team will act as the central coordination point for the acquisition and replacement of all fleet assets.

Financial Strategy and Budget for Fleet Replacement

7.2 The Capital and Investment Strategy forms a key part of the Council's Corporate Planning framework. The strategy sets out the rationale for investment in capital assets and projects, including prioritisation, planning, outcomes, funding, and project management and monitoring. It is updated annually to react to changing Council priorities, social and demographic changes and crucially the financial climate. The Capital Strategy focuses on the core principle that underpins the Council's detailed Capital Programme.

7.3 The current vehicle replacement provisions are set out in the Capital Programme and are based on replacing existing assets at the end of their useful economic lives. The Capital Programme assumes that future vehicles will be purchased outright and will be financed by a mix of earmarked reserves (for replacement vehicles), grants and, where available, capital receipts.

7.4 The Council has not traditionally leased its vehicles as the high leasing costs have generally made the leasing option more expensive when a whole life costing exercise has been undertaken when comparing purchase v leasing options. Other factors have been that all the leasing costs fall on the revenue account and there is an inability to run the vehicles on beyond their lease date. High penalty charges for returning vehicles, particularly heavy use vehicles like refuse trucks, has also been seen as a limiting factor.

7.5 The Council does not undertake borrowing to fund assets with a short useful economic life (e.g. vehicles) as this would not meet the criteria set out in the Prudential Code for Capital Finance.

7.6 The ongoing funding required to maintain and operate the existing fleet is managed through existing revenue budgets, held centrally by Environmental Services and/or Service Area managers where appropriate.

Current financial situation of the Council

7.7 The Council needs to ensure a long term sustainable financial future. At the time of writing this strategy, the Council needs to reduce its net spend significantly over the period of its Medium Term Financial Strategy (MTFS) which spans the period up to 2028/29.

7.8 With pressure on both revenue and capital resources, the need for a up to date and robust capital programme is essential to prioritise asset replacements and

acquisitions based on necessity in a planned manner which can be factored into the next update of the MTFS.

7.9 The financial investment required to support such a large and diverse asset acquisition and replacement programme must not be underestimated and poses a very real challenge.

Assessment of future fleet needs

7.10 Given the financial backdrop described above, the Council is in the process of producing a centralised fleet management system which will hold detailed information on each fleet asset owned or operated by the Council. This database includes information on the make and model of each asset, the age of asset, annual milage, MOT due date etc. This data is being used by the Council to better understand how assets are currently used to help plan for efficient, cost-effective service delivery in the future. For example, the data may help determine that there are opportunities to reduce asset numbers in some instances or use existing assets for the delivery of new income generating services in the future if they are currently underutilised. Such information will feed into the update to the capital programme.

7.11 The fleet database also identifies when fleet assets are coming to the end of their operating life and/or when an asset is coming to the end of its funding arrangement. In advance of these dates, the Fleet Management Team will engage with the relevant Service Areas to determine if there is an ongoing future need for the asset, and if so, explore replacement options including Zero or Ultra Low Emission Vehicles, based on service requirements.

7.12 In addition to the above, to help achieve short term efficiencies as well as feed into decisions about future fleet needs, the Council also intends to consider the potential for route optimisation as part of its service delivery as well as the potential to deliver shared services with partner organisations.

7.13 Likely future service needs which may result in additional or different assets also need to be factored in when making decisions about future fleet requirements. For example, it may be that the Council's green spaces need managing differently in the future in response to climate change and to help deliver improvements for biodiversity. Fleet requirements may also be affected by the Waste Collection Reforms.

Potential Delivery models moving forwards

7.14 In the short term, the Fleet Management Team, alongside the Council's Finance and Procurement Departments are exploring the different options for the replacement of fleet assets moving forwards. These options are:

- Capital purchase with/without maintenance,
- Contract lease with/without maintenance, or

- Contract hire with/without maintenance.

Capital purchase with maintenance versus lease/hire alternatives

7.15 The majority of current fleet assets have been acquired via capital purchase, with only 4 vehicles currently being leased. The reason for the Council now considering lease/hire alternatives is largely to put the Council in a better position to transition to a net zero fleet in a timely manner, although it is recognised that the Council's aspirations to meet net zero by 2030, and achieving good value for money need to be carefully balanced. As set out in chapter 6, due to the early stage of market development, there is a lack of publicly available data on the costs of zero emission replacements for some types of fleet vehicle, although all zero emission LGVs and HGVs are currently more expensive to purchase than equivalent internal combustion engine (ICE) vehicles which makes capital acquisitions for this type of asset unlikely given the Council's current financial situation unless grant funding can be secured.

7.16 There is also currently a high level of uncertainty around the future whole life cost of ownership (WLC) of both zero-emission and ICE vehicles, making comparison difficult. When assets are being replaced or acquired in the future following the refresh of the capital programme and subsequent procurement process(es), officers will seek to ensure that WLC calculations make reasonable assumptions on fuel prices and supply, availability of infrastructure and the take up of different technologies. WLC will also depend on how the vehicles within the Council's fleet are used which adds additional complexity.

7.17 In addition to the likely expense associated with transitioning in the short term to a zero emissions fleet, many of the assets within the fleet have not yet reached the end of their useful life, and trading them in with replacement vehicles before this point is unlikely to represent good value for money. Future capital acquisitions will also be difficult to replace with new technologies midway through their useful life for this same reason. As such, in exploring what is the most cost effective approach to fleet replacement for the Council, and which also contains an element of flexibility to allow the Council to respond to advancements in technology, options for leasing and hiring fleet assets will continue to be explored. These mechanisms have the potential to allow the Council to 'swap out' assets from within the fleet during the course of their useful life, although the detail associated with such arrangements would need to be carefully explored, especially the costs involved before the Council can make a decision in terms of what the best fit would be for Runnymede, as it is recognised that additional flexibility is likely to be accompanied by additional cost implications.

7.18 It may well be the case that one option is best for one group of assets and another option for a different group of assets.

Chapter 8: Implementation, Monitoring and Review

Monitoring and Review

8.1 The Corporate Head of Environmental Services will be responsible for implementing this strategy post adoption, however day to day oversight of the Fleet Management Team will sit with the DSO Manager. On adoption of this strategy, a steering group will be created which will meet monthly with key officers across service areas and support services. This group will be chaired by the Corporate Head of Environmental Services (unless the Corporate Head chooses to delegate this responsibility to the DSO Manager) and will work collaboratively to:
-Ensure a smooth transition to a One Fleet approach;
-Coordinate the delivery of the Action Plan set out at Chapter 9; and,
-Ensure the efficient running of the Council's fleet.

8.2 The core membership of the Steering Group is envisaged to include the following officers:

-Senior Managers of relevant Service Areas;
-Operational manager responsible for use of community transport vehicles;
-O licence holder (DSO Manager/representative from the Fleet Management Team);
-Depot Health and Safety Officer

8.3 Officers may also be requested to attend from the following teams:
-Climate Change
-Digital Services
-Finance
-Human Resources
-Procurement
-Project Management Office

8.4 Key Performance Indicators (KPIs) will be developed by the Fleet Steering Group to help monitor the performance of the fleet against the objectives contained in this strategy, with progress being reported back through the Environment and Sustainability Committee at agreed intervals.

8.5 It is important that this strategy can adapt to changes in technology, changes in operational requirements, changes to Government policy and financial considerations. This Strategy will therefore be reviewed on an annual basis with the support of the Council's Climate Change Working Party.

Chapter 9: Action Plan 2024 to 2026

9.1 This Action Plan sets out the activities that will be undertaken in the short term (2024-2026) to deliver on each of the strategy objectives.

9.2 The Environmental Services Service Area Plan (SAP) for 2024/25 contains the implementation of the Fleet Strategy as a new project which will start in the next financial year (Corporate Business Plan reference: ES023). Some of the actions listed below are considered to fall under this existing reference. Furthermore, some actions in the table below are also referenced in Service Area Plans in their own right. Where this is the case, this detail has been added. Where neither of these scenarios applies, actions will be added to the most relevant SAP via the Business Planning Tool as an ‘in-year’ activity, so that progress in delivering them can be tracked. This is likely to apply when a Service Area beyond Environmental Services has a key role to play in delivering an action.

9.3 The timeframes for completion of each action should be considered as indicative at this stage and subject to change following detailed discussions in the Fleet Steering Group meetings. This is because, whilst the implementation of the Fleet Strategy is listed in the SAP for 2024/25 for Environmental Services, personnel from other Service Areas across the Council will need to contribute to a number of actions in order to deliver them, but their involvement in this project is not necessarily included in the other 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.

Overarching Actions

Actions	Relevant Service Area Plan/Corporate Business Plan Action	Desired outcomes	Timeframe	Lead Departments/Teams
Action 1. 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.	Not specifically listed in a SAP. This action will need to be added to the Human Resources/ Environmental Services SAP via the Business Planning Tool as an 'in-year' activity	-To ensure that consultation with all affected parties occurs and feedback considered. -To ensure that all affected staff are clear of any changes to their roles and responsibilities as part of the new One Fleet approach. -To support a smooth transition to the One Fleet approach.	May-August 2024	Human Resources/Environmental Services
Action 2. Setting out a process map for all departments to be able to engage the Fleet Management Team and to establish roles and responsibilities	Part of ES023 in Environmental Services Service Area Plan for 2024/25.	-To ensure that all affected staff are clear of any changes to their roles and responsibilities as part of the new One Fleet approach. -To support a smooth transition to the One Fleet approach.	May-August 2024	Environmental Services

Actions	Relevant Service Area Plan/Corporate Business Plan Action	Desired outcomes	Timeframe	Lead Departments/Teams
		-To ensure that all new processes are clear to all parties.		
Action 3. Establishing the Fleet Steering Group, standing items for agendas and agreeing KPIs to monitor fleet operation.	Part of ES023 in Environmental Services Service Area Plan for 2024/25.	-To ensure that the SFMS is implemented as intended. -To ensure that the operation of the fleet can be robustly monitored in the longer term.	May/June 2024	Environmental Services

I. **Objective: 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

What have we already done?

-The Council, in August 2023, adopted an updated Health and Safety Policy. This sets out work activities which are required to be risk assessed including driving at work, use of electrical equipment and use of machinery and plant.
-The Council, in September 2023, adopted an updated Alcohol, Drug and Substance misuse at Work Policy. This includes information relevant to employees who drive a Council vehicle and/or operate machinery, as part of their job.

Short term action (2024-2026)

Actions	**Relevant Service Area Plan/Corporate Business Plan Action**	**Desired outcomes**	**Timeframe**	**Lead Departments/Teams**
Action 4. Implement a centralised fleet management system using Microsoft SharePoint, Forms, and Power Automate.	Not specifically listed in a SAP. This action will need to be added to the Customer, Digital and Collection Services SAP via the Business Planning Tool as an 'in-year' activity	Improve data accuracy and accessibility through a single system. Streamline workflows for document management, record keeping, and compliance. Reduce administrative burden and paper usage. Enhance collaboration between service areas and external stakeholders.	January – May 2024	Digital Services / Fleet Management Team
Action 5. Digitise current and legacy fleet documents.	Not specifically listed in a SAP. This action will need to be added to the Customer, Digital and Collection Services SAP via the Business Planning	Easy retrieval and access to historical data. Improve document retention and disposal processes. Reduce physical storage space requirements. Increase data security, compliance and resilience.	January – May 2024	Digital Services / Fleet Management Team

Actions	Relevant Service Area Plan/Corporate Business Plan Action	Desired outcomes	Timeframe	Lead Departments/Teams
	Tool as an ‘in-year’ activity			
Action 6. Develop digital driver daily check sheets on tablets using Microsoft Forms.	Not specifically listed in a SAP. This action will need to be added to the Customer, Digital and Collection Services SAP via the Business Planning Tool as an ‘in-year’ activity	Improve data collection accuracy and completeness. Real time visibility into vehicle health and potential issues. Reduce paperwork and manual data entry. Faster identification and reporting of maintenance needs. Opportunity to introduce approval workflows to raise repair requests with external providers.	March -May 2024	Digital Services / Fleet Management Team
Action 7. Create Power BI dashboards for fleet compliance data.	Not specifically listed in a SAP. This action will need to be added to the Customer, Digital and Collection Services SAP via the Business Planning	Proactive identification of compliance risks and violations. Improve decision making based on data driven insights. Enhance transparency and accountability for fleet management in Environmental Services.	April – May 2024	Digital Services / Fleet Management Team

Actions	Relevant Service Area Plan/Corporate Business Plan Action	Desired outcomes	Timeframe	Lead Departments/Teams
	Tool as an 'in-year' activity	Opportunity to streamline reporting and regulatory compliance processes.		
Action 8. Review our current use of telemetric software and evaluate the options and business case to implement this corporately across all fleet.	Not specifically listed in a SAP. This action will need to be added to the Customer, Digital and Collection Services/ Environmental Services SAP via the Business Planning Tool as an 'in-year' activity	Improved driver safety and behaviour through real time monitoring. Reduce fuel costs and environmental impact through optimised driving practices. Improve vehicle maintenance planning and scheduling. Theft prevention and vehicle recovery capabilities. Ability to automate alerts on maintenance and issues with fleet.	Review and business case September – November 2024	Digital Services / Fleet Management Team
Action 9. Develop Driver User Policy in conjunction with Human Resources.	Part of OD056 in Human Resources Services Area Plan for 2023/24 (review of HR corporate policies).	Drivers have a clear understanding of their roles, behaviour expectations, and Council policy related to driving tasks, vehicle use, and safety.	By end of July 2024	Human Resources and Fleet Management Team

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.

What have we already done?

-A review has already been completed for the Meals at Home service, and a review of the Community Transport service is ongoing at the time of writing.

Short term actions (2024-2026)

Actions	**Relevant Service Area Plan/Corporate Business Plan Action**	**Desired outcomes**	**Timeframe**	**Relevant Departments/Teams**
Action 10. Implement route optimisation for waste, recycling, trade waste and garden waste rounds (for HGV vehicles only).	Part of CC025 (review current waste collection routes in the Borough-Route optimisation) being led by Digital Services	Reduce fuel consumption and emissions. Increase operational efficiency and productivity. Optimise vehicle utilisation and potential reduction in fleet size.	January – August 2024	Digital Services / Environmental Services /Fleet Management Team
Action 11. Review the current and future business needs of each relevant department	Not specifically listed in a SAP. Given that this action will span multiple Service	-Production of an accurate and up to date Capital Programme which can underpin a future	May-August 2024	Digital Services / Community Services / Parking / Environmental Services /Fleet Management Team/Finance Department.

Actions	Relevant Service Area Plan/Corporate Business Plan Action	Desired outcomes	Timeframe	Relevant Departments/Teams
in relation to all fleet requirements to feed into an update of the Capital Programme. This work should include identification of opportunities for income generation utilising existing and potential future fleet assets.	Areas and cannot solely be delivered by Environmental Services under ES023, this action will need to be added to the most relevant SAP via the Business Planning Tool as an 'in-year' activity	procurement exercise(s) to secure suppliers to deliver fleet assets over a 10 year period. -To identify opportunities for income generation; -To provide more accurate financial information around future spend on fleet assets over the next 10 years; -To ensure that current fleet assets are genuinely required to deliver service needs; -In identifying and incorporating future service needs and fleet requirements into the updated Capital Programme the Council will be more agile in responding to anticipated future		

Actions	Relevant Service Area Plan/Corporate Business Plan Action	Desired outcomes	Timeframe	Relevant Departments/Teams
		challenges to service delivery; -Process to identify cross-departmental opportunities to most efficiently utilise the fleet.		
Action 12: To underpin future procurement exercise(s), and following discussions with relevant partners, identify the Council's preferred routes to market for different groups of fleet assets.	Part of ES023 in Environmental Services Service Area Plan for 2024/25.	-Development of a sound understanding of the pros and cons of different delivery models based on the experiences of other Local Authorities.	By August 2024	Fleet Management Team with support from Procurement team and Finance Department
Action 13. Complete the necessary procurement exercise(s) to secure a supplier(s) to help the Council deliver the assets in its agreed 10 year	Part of ES023 in Environmental Services Service Area Plan for 2024/25.	-To achieve cost savings through economies of scale for future fleet acquisition, replacement and maintenance. -To streamline fleet acquisition and	2024/25 financial year	Fleet Management Team / Procurement Team

Actions	Relevant Service Area Plan/Corporate Business Plan Action	Desired outcomes	Timeframe	Relevant Departments/Teams
Capital Programme, incorporating the necessary sustainability, ethical & environment considerations in line with the Council's Sustainable Procurement Policy -To potentially consider maintenance as well as the supply of assets. -To ensure that as standard, all new vehicle acquisitions are fitted with telemetry and forward and rear facing cameras. -To ensure that any contracts contain the		replacement process through a 'one fleet' approach. -Where feasible and offering good value for money, to achieve greater flexibility to replace vehicles before the end of their useful life to respond to changes in technology.		

Actions	Relevant Service Area Plan/Corporate Business Plan Action	Desired outcomes	Timeframe	Relevant Departments/Teams
necessary flexibility to allow for ad hoc requirements over contract lifetime				

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 environmental 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.

What have we already done?

-The Council adopted an Electric Vehicle Strategy in December 2023. This strategy includes a 7 point action plan which identifies short term actions to deliver on the Strategy's objectives up to 2026. Action 2 (and its sub actions) from the EV Strategy set out the short term actions to move towards implementing Electric Vehicle technology within the Council's fleet. These actions are set out in full in chapter 2 of this strategy and built on within this action plan.

-Carried out background investigations into the feasibility of using the diesel fuel tank at the Chertsey Depot for HVO fuel during the course of 2023. This has included employing the services of a specialist contractor to inspect the tank. Following this inspection, the consultant has stated that subject to the tank being painted, pressure checked, emptied and cleaned, and then properly maintained thereafter it is likely to last another 20 years, and be suitable to hold HVO fuel.

Actions	Relevant Service Area Plan/Corporate Business Plan Action	Desired outcomes	Timeframe	Relevant Departments/Teams
Action 14. Progress moving Euro VI diesel fleet assets to HVO within the confines of existing budgetary constraints. This will involve the following sub actions: -subject to committee approval, replacing the fuel management system which is obsolete; -Subject to committee approval, arranging for the existing fuel tank to be painted, pressure checked, emptied and cleaned, and for identified repairs to be undertaken.	Part of CC030 (HVO Fuel Review) which is in the Environmental Services SAP for 2024/25	-To introduce HVO fuel into fleet operations during the 2024/25 financial year. - HVO fuel sourced from a Renewable Fuel Assurance Scheme RFAS) accredited supplier.	May 2024	Fleet Management Team/Environmental Services
Action 15. To support the Council's transition to zero emission vehicles, the following short term actions will be completed: -produce a shortlist of potential sites for fleet vehicles to be stored for charging; -assess the suitability of shortlisted sites to deliver EV	Linked to CC0059 (EV Charging point implementation). This existing activity may either need to be expanded to go beyond existing Council carparks, or a new entry	-To support the delivery of the right infrastructure in the right places to support a transition to EV vehicles where appropriate.	Commenced in December 2023. Work ongoing	Climate Change Team/ Assets and Regeneration / Fleet Management Team

Actions	Relevant Service Area Plan/Corporate Business Plan Action	Desired outcomes	Timeframe	Relevant Departments/Teams
chargers for different types of vehicles. For example, suitable connection points, grid capacity, space constraints/ turning areas; -Identify the types of chargers needed for different fleet assets; Based on the above, and the timings for replacement/new assets in the capital programme and to be in a position to respond to other opportunities, the delivery of EV charging points will then be prioritised accordingly.	created in the Business Planning Tool to cover EV implementation at other Council assets.			

Chapter 10: Risk Assessment

Service Area:	**Sustainable Fleet Management Strategy – Policy adoption risk assessment**
Name of Assessor	**Darren Williams and Georgina Pacey**
Date risk assessment undertaken:	**February 2024**

Scope of risk assessment:

This risk assessment evaluates the requirements of the Sustainable Fleet Management Strategy, and identifies the existing measures in place to ensure a successful implementation, as well as other additional measures that may support this.

Risk assessment method – evaluation of risk

		Negligible/ insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
	Likelihood (L) x Severity of impact to Council (S) = Risk Rating Number (RRN)					
Likelihood	Highly likely 5	5	10	15	20	25
	Likely 4	4	8	12	16	20
	Possible 3	3	6	9	12	15
	Unlikely 2	2	4	6	8	10
	Highly unlikely 1	1	2	3	4	5

High risk:	**High-risk tasks are not acceptable. If they have already commenced, they must cease immediately. If the task is to start or continue, further control measures to reduce the likelihood and/or severity must be introduced.**
Medium risk:	**Medium risk can be tolerated, however, further control measures to reduce the likelihood and/or severity should be introduced where practicable.**
Low risk:	**Low risks are largely acceptable. Maintain existing control measures.**

Ref	Area of Concern Re Policy Delivery	Potential Impact	Intended Actions to Reduce Risk	Existing risk rating (L) Likelihood (S) Severity LxS = Risk Score			Additional Actions to Reduce Risk	New risk rating (residual) (L) Likelihood (S) Severity LxS = Risk Score		
				(L)	(S)	Risk Score		(L)	(S)	Risk Score
1	The cost of delivering an environmentally sustainable fleet is high	Inability to deliver on operational net zero target	• Policy sets out transitional arrangements to enable significant reduction of emissions. • Separate work strand underway relating to EV charging infrastructure. • Pump prime funding for climate change related activity may support transition. • Policy sets out intention to model future financing of fleet. • Procurement of sole fleet supplier intended to reduce cost of future net zero vehicles	**3**	**3**	**9**	• Service areas to review with fleet management team their actual fleet requirements, with a view to reducing number of assets. • Operational oversight through monitoring of fuel usage and associated emissions, to identify trends, areas of increase etc., to be reviewed accordingly.	**3**	**3**	**9**

2	Procurement of single supplier not possible or represent best value due to breadth of fleet requirements	Potential requirement to manage multiple contracts or undertake multiple procurement exercises. Potential delay to establishing procurement element of fleet strategy due to need to repeat procurement exercise	• Database of all fleet assets will provide definite requirements when undertaking procurement. • Experience understood from elsewhere suggests that a single supplier may be possible	**3**	**2**	**6**	• Consideration of splitting procurement into grouped/individual lots as well as all lots to provide best opportunity for appointment in single procurement exercise	2	2	4
3	Adequate systems are not in place to	A consistent approach to ensuring	• The Fleet Steering Group will provide regular oversight in terms of progress with creating systems for recording	**3**	**3**	**9**	• Consideration of using fleet management module within existing Community Transport service software	3	3	9

	record all fleet informatio n	a safe and compliant fleet is more challenging to achieve	information, including the creation of a centralised database for fleet assets in the short term. This Group will agree actions to be completed.							
4	Adequate staff resources are not in place to manage the Council's fleet to ensure it is safe and compliant	Incomplete data set within adopted system Risk of non-compliance due to lack of reporting or oversight	• Key personnel have been engaged in the creation of the Strategy. Action 1 of the action plan further confirms that a short term action is to clarify the roles and responsibilities of the relevant existing staff who will form part of the Fleet Management Team, and also staff in the wider organisation who will be expected to support the delivery of the strategy. • Training to be provided to identified staff on new system for fleet management.	**2**	**5**	**10**	• Process mapping to be completed to ensure that all service areas/individuals are aware of their roles and responsibilities. • Fleet team to meet with individual services areas to ensure a full understanding of permit legislation, operating models, existing lease arrangements etc. • Explore secondment opportunities for existing staff in the DSO to support short term increase in work during transition.	1	5	5
5	Individual service areas do not continually review	Council operates greater amount of fleet than	• Policy sets out the responsibilities of services areas in relation to operation and management of fleet. • Monitoring arrangements relating to fleet operation	**3**	**3**	**9**	• Process mapping to be completed to ensure that all service areas/individuals are aware of their roles and responsibilities. • Corporate service review	2	3	6

	their operations	required. Avoidable costs relating to the fleet are incurred. Emissions levels higher than necessary during transitional period Greater expenditure on staff resources etc. than required	will be agreed by the Fleet Steering Group with progress being reported back through the Environment and Sustainability Committee at agreed intervals.				programme may consider reviews of services where fleet is operated.			
6	Fleet management team structure/ meetings is not	Fleet management policy fails due to lack of appropriate	• The Strategy sets out clearly the key officers responsible for implementing the strategy and organising the monthly steering group meetings.	**1**	**3**	**3**	• Process mapping to be completed to ensure that all service areas/individuals are aware of their roles and responsibilities. • Terms of reference and	1	3	3

	implemented or does not function to enable proactive review of fleet to determine fit for purpose or value for money.	oversight. Possible disconnect between fleet team and operational services					standing agenda items for fleet team meeting to be agreed. • Regular and ongoing meetings to be added to calendars. • Action log to be retained and accessible from within MS Teams • Consider whether amendments to Job Descriptions are required to ensure that any new duties as a result of the implementation of the SFMS are reflected.			
7	Specifications for future vehicle procurement do not meet the requirements of operational service	Vehicles procured that are not fit for purpose creating operational issues and potentially requiring additional financing to replace/retr	• Section titled “Provision of professional advice to Service Areas on vehicle specification and operation”, setting out approach to specification design and procurement included in policy.	**2**	**4**	**8**	• Process mapping to be completed to ensure that all service areas/individuals are aware of their roles and responsibilities.	1	4	4

		o fit								
8	Current and future maintenance contractor withdraws because of reduction in work requirements or due to model required to engage in relating to maintenance of lease vehicles	Possible loss of local maintenance arrangements resulting in increased cost and resource requirement to access maintenance at alternative sites	• Agreed transitional period to net zero fleet and structured replacement of existing fleet will limit the impact	**2**	**3**	**6**	• Understanding of whether third party contractor can become maintenance supplier in the event of leasing vehicles (to be agreed between vehicle supplier and contractor) • Procurement of fleet maintenance delivered on site by third party, as far as possible, in the event of leasing vehicles. • Review of specification of on-site maintenance contractor in advance of future procurement (if required) • In the event of a single fleet/maintenance supplier, consider opportunity for maintenance base on site at Depot (replacing existing contractor)	1	3	3
9	Accident reporting processes (vehicles)	Inconsistency in record keeping. Vehicles	• Roles and responsibilities of key personnel included within policy • Success of implementation of this	**2**	**3**	**6**	• Process mapping to be completed to ensure that all service areas/individuals are aware of their roles and	1	3	3

	not in place resulting in accidents not being reported	carrying undocumented damage, impacting fleet quality	part of the strategy to be reviewed regularly at the Steering Group meetings.				responsibilities. • Accident reporting a standard item on fleet management meetings. • Training in accident reporting to be provided to operational managers and drivers. • Review of vehicle accident reporting forms to be completed.			
10	Key staff are not provided with the necessary training to allow them to undertake their new responsibilities.	Cost incurred through repairs because of misuse of fleet equipment. Accidents occur because of operatives being untrained in the use of fleet	• Fleet team to have a good understanding of all legislative requirements in relation to operating fleet, across all areas. • Production of Driver User Policy is a short term action of the strategy.	**2**	**5**	**10**	• Work with individual operational service areas to identify training requirements for staff operating fleet. • Identification of other corporate core training requirements. • Compliance with training requirements to be reviewed by fleet management team, in accordance with HR and associated service areas at agreed intervals	1	5	5

		equipment (potentially involving staff and public) Reputational harm and potential litigation because of accidents/incidents								
11	Contract for vehicle livery is not in place, resulting in delays to completion of branding fleet assets	Inconsistent branding across the fleet. Delays between the purchase/delivery of new fleet. Where bodywork repairs are	• Currently there is no contract in place for vehicle livery, and this is sourced each time it is required (potentially from same supplier)	**4**	**1**	**4**	• Vehicle livery to be included in specification for fleet supplier procurement. **Or** • Fleet management team to lead procurement of vehicle livery contractor	2	1	2

		undertaken, livery is not replaced resulting in incomplete branding on vehicles.								

Authorised by: Phil Turner - Assistant Chief Executive for Place

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