



London Borough of Enfield

Title of Report:	Fleet Capital Expenditure 2024/25
Report to:	Cabinet Member for Environment, Cllr Rick Jewell
Cabinet Member:	Cabinet Member for Environment, Cllr Rick Jewell
Director:	Director of Environment & Street Scene, Doug Wilkinson
Report Author:	Julian Minta
Ward(s) affected:	All
Key Decision Number	KD 5721
Classification:	Part I Public
Reason for exemption	N/A

Purpose of Report

1. This report details the proposed expenditure of the Fleet Capital Budget for the financial year 2024/25. It identifies those vehicles and items of plant and equipment that are scheduled for replacement and/or new procurements and acquisitions for use by Council services. The report also details the proposed methods of procurement and authorises the procurement and purchase of identified vehicles, plant, and equipment once agreed.

Recommendations

The Cabinet Member for Environment to:

- I. Approve the replacement programme schedule and budget allocations of vehicles and plant as set out in this report.
- II. Delegate authority to the Director of Environment and Street Scene to approve the purchases, procurements, and award of the contracts within the approved budgets in the Confidential Appendix as necessary for operational reasons and to enter into the relevant contracts and any variations to the schedule within the allocated

Background and Options

2. Fleet services currently has a programme for the procurement, management and disposal of all council owned fleet vehicles, plant, and equipment. The Vehicle Replacement Program (VRP) holds details of all council owned vehicle assets and sets out when vehicles, plant, & equipment should be replaced in line with agreed vehicle economic life expectancies. The proposed £1m spend of the 2024/25 budget is in line with this program.
3. As part of this year's replacement program the continued introduction of new electric vehicles, where possible, will demonstrate the Council's commitment to vehicle decarbonisation targets in the climate change action plan.
4. Approval of this report will allow the Fleet Department to continue with its programme of replacing the Council's fleet of vehicles, ensuring it delivers where possible, electric vehicles and where not, providing a low emission fleet to all council services, by purchasing the cleanest fuel-efficient vehicles available where EV is not an option.
5. The continuation of the planned replacements as part of the Vehicle Replacement Program (VRP) will ensure the maintenance and expenditure on vehicles will be kept to a minimum, whilst allowing us to maximise re-sale values of assets to be disposed of. Renewal of the Fleet will ensure optimal service delivery for all council services by reducing the amount of downtime and costs required for maintaining older vehicles.
6. The 2024/25 capital funding for fleet is contained within the 10-year Capital Programme approved by cabinet at the meeting of 22nd February 2024, under Key Decision 5683 and allocates £1m for the Fleet Vehicle Replacement Program, (see page 254 of the report).
7. Current requirements are set out in the table below with existing and new service requirements identified. The vehicles set out in the table are all part of the current vehicle replacement programme following on

from the re-profiling of the fleet age in 2017, to bring it in line with industry standards.

Vehicle	Service	Existing fleet	New service	Number of vehicles	Procurement Method
3.5t Crew Cab Cage tipper	Street Cleansing	y		10	Call off from a current framework
Dennis 26t Refuse Collection Vehicle	Waste Services	y		2	Call off from a current framework
3.5t Twin wheel Parks Cage Tipper	Parks & Open Spaces	y		5	Call off from a current framework
Total Vehicles				17	

8. As part of the vehicle replacement programme, vehicle utilisation and requirements are reviewed with service users to ensure that we run at an optimum level and provide vehicles and equipment that is suited to each user area to assist them in the best delivery of their services. To determine the number of vehicles and pieces of equipment needed, all heads of service have been contacted and asked to review their service and operational needs surrounding vehicles. Fleet Services have also checked vehicle usage to ensure good utilisation of vehicles. Consultation with service heads has also looked at future service developments, reductions or constraints which would affect future vehicle requirements. Where possible we have streamlined the fleet. Of this procurement, Fleet Services will be procuring circa 17 vehicles
9. The key risk to the Council is an increase in maintenance cost and of vehicle down time by continuing to extend the current fleet life resulting in a reduction vehicle availability to the services and their operations. There will also be an increase in costs to fleet services who will need to hire additional vehicles to cover these vehicles as there will be increased downtime and costs for repairs and maintenance.
10. By taking this decision there may be a risk that service requirements for vehicles change where vehicles are no longer required. This is mitigated by owning the vehicles as they can be sold without any penalties being incurred.

Preferred Option and Reasons for Preferred Option

11. Agree the proposed fleet replacements, in order that fleet services are able to mitigate as best as is possible the increased cost exposure of operating older vehicles for the reasons set out as above.
12. The other option is to do nothing. This has been dismissed due to the cost implications of operating older vehicles.

Relevance to Council Plans and Strategies

13. The Enfield Council fleet is a key part of the council's operational services and ensures they can deliver essential services to all areas. A

well-managed, modern electric and/ or low emission fleet will support all three of the council priorities:

Good homes in well-connected neighbourhoods

14. Our council fleet is a highly visible and recognisable asset to residents. Providing replacement vehicles for all council services will enable them to operate effectively for those people who live, work or travel in the Council area. Further, the provision of using modern reliable vehicles will enhance the delivery of service for residents.

Safe, healthy and confident communities

15. By using proven vehicle convertors and suppliers, the vehicles and equipment will be available for duties for greater periods thus enabling the Council to provide these services on more regular and continued basis.

An economy that works for everyone

16. Where possible Electric vehicles will be the first option that will be provided when it comes to replacements. Vehicles and equipment in this proposal that can't be electric will meet all current and future emission regulations giving us a fleet of the cleanest vehicles available. This will ensure our carbon footprint is kept to a minimum when it comes to vehicle operation. By providing for the needs of the services, teams will have an efficient fleet of modern vehicles meaning less downtime and more efficiency.

Financial Implications

Summary

17. 17 vehicles to be acquired from Council approved capital budget envelope £1m approved by Council 22nd February 2024, KD 5683 as part of the Ten-Year Capital Programme.
18. After carrying out a full review of the overall fleet this acquisition is required for supporting the Council's services.
19. Expenditure will result in no additional borrowing beyond that assumed in Capital Programme.
20. Maintenance and servicing costs will be incurred by Fleet Services and recharged to the client departments

Budget impact – capital & debt

21. £1m envelope allocated in capital programme which requires approval to spend by approval of this report which is funded entirely through borrowing.

22. Debt will be on an annuity basis which will require Council to set aside repayment of the debt over ten years in addition to interest costs. Ten years has been used as the estimated life of vehicles in accordance with the Council's policy for calculating the Minimum Revenue Provision (MRP) which is the set aside used to repay the loan.

Budget impact – revenue

23. All routine maintenance costs will be carried out by the internal fleet workshop team and service departments will be charged an annual internal cost for transport). This will be funded from relevant department revenue budgets.
24. Service departments will be fully responsible for fuel, non-routine maintenance/damage costs; this will directly be charged to service department revenue cost centres.

Taxation

25. VAT payable on commercial vehicles and can be reclaimed in full by the Council through monthly VAT return.

Risks

26. Costs of acquisition will be agreed in advance with the suppliers to ensure the total capital budget is not breached.
27. Costs of servicing and maintenance will be subject to market conditions with risks mitigated through monitoring of monthly revenue expenditure by the Fleets Services and client Departments.

Legal Implications

28. The Council has a general power of competence in section 1(1) of the Localism Act 2011. This states that a local authority has the power to do anything that individuals generally may do provided it is not prohibited by legislation and subject to public law principles. There is no express prohibition, restriction or limitation contained in a statute against use of the power as recommended in this report. Section 111 of the Local Government Act 1972 further gives a local authority power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The recommendations in this report are incidental to the functions of the Council.
29. The contracts for the purchase of vehicles will be public supply contracts under the Public Contracts Regulations 2015 (PCR 2015). Prior to the award of any contract with an estimated value above the threshold (currently £213,477 inclusive of VAT), the Council must comply with the Public Contracts Regulations 2015. Additionally, the

Council must comply with its Constitution and Contract Procedure Rules (CPRs).

30. Use of a legally compliant framework agreement is permitted under Reg 33 of the PCR 2015. Additionally, the CPRs state that Frameworks, where they exist, should be used provided Best Value can be demonstrated and managers are required to retain sufficient evidence to demonstrate compliance. However, a due diligence exercise must be carried out by Procurement Services prior to calling off from a Framework and the Council must be clearly identified as a contracting authority able to use the Framework when the Framework was set up.
31. Any contract awarded under a framework must be in accordance with the process set out in the Framework agreement and the terms of the call off contract must be consistent with the Framework terms. Accordingly, a direct award via a Framework can only be made if (i) Best Value can be demonstrated; (ii) it is permitted by the rules of that Framework; and (iii) the rules of the Framework on direct award are complied with.
32. The contracts must be in a form approved by Legal Services for and on behalf of the Director of Law and Governance.
33. The Council must comply with its obligations relating to obtaining best value under the Local Government (Best Value Principles) Act 1999.
34. This decision is a Key Decision and the Council must comply with the Key Decision process under the Constitution.

Equalities Implications

35. Corporate advice has been sought regarding equalities and following initial screening that was carried out which showed no impact, an agreement has been reached that equalities impact assessment is neither relevant nor proportionate for the approval of this report.

Environmental and Climate Change Implications

36. The Climate Action Plan includes an action to switch the Council's vehicle fleet to electric with a target of 60% by 2026 and 100% by 2030.
37. The proposed use of Fleet Capital Budget to continue the move towards to electric vehicles (where possible) will be a significant first step towards achieving and is in accordance with the fleet related action and targets in the Climate Action Plan.
38. It should be noted that there will be residual carbon emissions from the use of electricity while the grid decarbonises, however these are significantly lower than for diesel or other alternatives and will reduce over time.

39. In addition to reduced carbon emissions, electric vehicles emit lower levels of pollutants which impact on air quality (NOx and PM10 in particular). They also have no discernible engine noise so are quieter in operation.
40. Purchases of diesel fuelled vehicles in this proposal will be due for renewal before the 2030 climate action plan deadline which will allow us to meet our commitments as set out regarding the decarbonisation of the fleet.

Public Health Implications

41. The 2024/25 fleet replacement program has clear public health implications.
42. The change to electric zero emission vehicles (where possible) will provide cleaner air for residents and the workforce who are operating near the vehicles are part of their working duties.
43. All the new vehicles will be designed and procured to meet all health and safety and EU regulations. In addition, we will be fully compliant with the Construction Logistics and Cyclist Safety report and Work-Related Road Risk regulations. All drivers will have induction training as part of any purchases and all workshop technicians will have full training on maintenance and operation of the equipment.

Property Implications

44. None, as there are no vehicle additions, just replacements

Other Implications

45. Procurement Services must be engaged to develop and agree an appropriate procurement strategy that is compliant with Enfield's CPR's and the Public Contract Regulations, provides value for money and supports sustainable and ethical procurement.

Report Author: Julian Minta
Head of Fleet & Transport Operations
Julian.minta@enfield.gov.uk
07790 585086

Appendices

Background Papers

Appendix 1 - Capital Budget 2024/25 – KD 5683

[2024-25 Budget Report for Cabinet 21.02.24 Final - amended.pdf \(enfield.gov.uk\)](#)

#Departmental reference number: