

Fleet Services.

Briefing Note.

October 2022

1. Introduction

- 1.1 This briefing paper is to provide an overview on Fleet Services and on the plans for decarbonisation of the council's commercial fleet. It will serve as the basis of the information to be shared with the Environment and Community Engagement Scrutiny Commission meeting; 11th October 2022

2. Background

- 2.1 The Fleet Services Business Unit is currently based in Copeland Road Depot, Peckham and consists of 6 members of staff to manage; planned outsourced maintenance and inspections, breakdowns, accidents and associated insurance, ad-hoc vehicle and engine repairs, fuel management, end user support and coordination, finances, procurement and IT / data management.
- 2.2 To enable a greater resource to deliver the strategic management of Fleet Services the business unit was in August '21, transferred from the Waste and Cleaning Division to that of Traded Services.
- 2.3 Fleet Services recognise the need for its managed commercial fleet to reflect the aspirations of the Council and its Residents. The reduction of fleet carbon emissions will be made possible through vehicle reduction and Fleet Services and service delivery teams making efficient use of technology and innovation.

3. Current Fleet

- 3.1 The current fleet in use by the Council is c.330 vehicles. This consists of leased under contract and short term / ad-hoc hire.
- 3.2 The ad-hoc hire of is to replace previously leased vehicles, which were non-compliant with the Ultra Low Emission Zone (ULEZ). The short-term 'spot hire' is a changing number subject to changing operational needs of the end users.
- 3.3 The make-up of the fleet is 243 vehicles under contract and c.87 short term / ad-hoc hire.
- 3.4 Vehicles in the fleet range from Large Goods Vehicles such as 26t vehicle mounted cranes (lamp column installations) to small vans (multi-use). See Appendix 1
- 3.5 Of the 330 vehicles in the current commercial fleet the breakdown of power source is as follows

| Power source | Number | % |
|--------------|--------|-------|
| Hybrid | 11 | 1.51 |
| Electric | 15 | 4.55 |
| Petrol | 73 | 24.55 |
| Diesel | 231 | 69.39 |
| | 330 | 100 |

4. CO₂ Emissions

- 4.1 We recognise that emissions that the council controls – such as from council homes and our vehicles are about 12% of the whole borough’s emissions. With c.1% of that volume related to its commercial fleet.
- 4.2 We understand that commercial vehicles play a crucial role in maintaining effective and efficient services but we also acknowledge that it is essential to manage and reduce the environmental impact of our fleet.
- 4.3 Our current emissions based current vehicle numbers, power source and estimated usage is c. 430 metric tonnes of carbon dioxide

| Power source | Number | Metric Tonnes | % of emissions |
|--------------|--------|---------------|----------------|
| Hybrid | 11 | 6.09 | 1.42 |
| Electric | 15 | 0 | 0 |
| Petrol | 73 | 80.72 | 18.69 |
| Diesel | 231 | 345.03 | 79.89 |
| | 330 | 431.84 | 100 |

5. Vehicle Reduction

- 5.1 Whilst aspirations for the use of an alternative fuel source to petrol and diesel are very important. At the top of the list of actions remains the need to reduce the overall size of the fleet in use.
- 5.2 Before any request for vehicle replacement, Fleet Services coordinate with the end user ensuring the business case for vehicle need and type, is robust. This includes consideration for the opportunity to implement alternative operational travel modes, reduce the vehicle size used and utilising existing vehicles at different operational times.
- 5.3 It should be noted that 330 vehicles of mixed type and size is not the expected fleet size for future service delivery. Whilst 330 is the recurring number this is base data and this number will be refined and reduced as modelling becomes more sophisticated and operational due diligence is completed.

6. Vehicle Replacement – Electric / Hybrid

- 6.1 Whilst we are planning to replace the current with a much more sustainable fleet, there are 330 vehicles in the replacement programme over the upcoming years in a programme yet to be finalised.
- 6.2 The overarching approach will be that vehicles will have reached the end of their useful life and / or contractual financial obligation before replacement.
- 6.3 The electric vehicle alternative for the cars and light commercials is no longer considered innovative technology and is embedded amongst many service operators as their sole choice of fuel.
- 6.4 The electric vehicle options for the heavier and specialist vehicles is not as well advanced. There are some vehicle categories where no appropriate electric alternative currently exists e.g. gulley sucker. There are other vehicle categories where the electric vehicle alternative does exist but is very much in its infancy e.g. compact sweepers.

7. Demonstrations and Trials

- 7.1 Whilst the aspiration of a zero emission fleet exists, consideration must to be given to operational need, service user requirements and available fleet options.
- 7.2 To assess the technology available for the more complex vehicle and task operations, Fleet Services have well developed plans for a series of vehicle trials.
- 7.3 Vehicles soon to be in use for assessment and our own due diligence on capability, performance and application include refuse, street lighting, sweeping and mechanical broom vehicles.

8. Charging Infrastructure

- 8.1 In addition to the fleet selection and procurement considerations, large-scale rollout of charging infrastructure needed for an EV fleet remains difficult with significant challenges in the provision for overnight charging.
- 8.2 Whilst it is certainly feasible to acquire an electric vehicle equivalent for much of the fleet requirements, detailed consideration needs to be given to the required charging infrastructure.
- 8.3 We are already investing in our charging infrastructure with new depot based heavy duty fast chargers recently commissioned but the rollout of any large scale vehicle replacement cannot currently be facilitated.
- 8.4 It should also be noted that many of the commercial fleet are parked off site overnight at or adjacent to employees homes through the use of Home Parking Agreements with those drivers.
- 8.5 Due to the electrical load, vehicle type and operational impact of charging needs, the Council would be unwise due to volume, specification and availability, to rely on public charging infrastructure and will instead focus upon depot based infrastructure. This, along with the possibility of local agreements with employees to utilise their own infrastructure if available.
- 8.6 The scale of the requirement and the task of installing charging infrastructure on such a large scale should not be under-estimated. Not least, dialogue is needed with the Distribution Network Operator (DNO) as to whether any existing supply grid could take such a requirement. Electrical mains and sub-station upgrades are costly and lengthy projects.
- 8.7 Further consideration will also need to be given to the provision of depots. Certainty as to their location and longevity would be prudent, prior to reviewing their respective supply connections and the associated capital costs.
- 8.8 Whilst infrastructure upgrade costs are currently unknown, anecdotal evidence from other local authorities suggest a minimum of £4.5m up to c. £10m capital investment could be required.

9. Fleet Replacement Strategy

- 9.1 A plan is beginning to emerge for the development and adoption of a comprehensive fleet replacement strategy.
- 9.2 This strategy will provide detailed analysis by service area, setting out the timing and planned rollout of vehicle replacement.
- 9.3 As part of the development of the fleet replacement strategy the following has been completed
- Review of the contractual terms and conditions for the lease and possible extension of existing leased fleet arrangements and associated costs.
 - Review of the process for quantifying operational vehicle need and market availability / capabilities.
 - An indicative fully costed entire fleet replacement cycle, comparing alternative options available to us including capital investment needs, revenue implications, external leasing and fully maintained termed contract hire.

10. Indicative Programme

- 10.1 A programme for the coordination of multiple complex tasks is in production. Detailed design is required for an indicative cumulative programme for the delivery of a collection of projects for fleet replacement delivery. This piece will require detailed profiling along with the identification of interdependencies, a total resource schedule along with estimated costs for individual work streams.
- 10.2 Whilst multiple interdependencies will occur headline work streams with indicative estimated timescales have been identified
- Prepared and adopted Fleet Replacement Strategy – 4 months
 - Identify, procure, design and build required infrastructure – 36 months
 - Identify and procure framework contracts for leasing / purchasing – 6 months
 - Procure and deliver replacement vehicles – 12 to 18 months

These indicative timescales include the needed governance arrangements.

| Cars | |
|---|------------|
| Pool cars | 3 |
| Various teams | 10 |
| Totals for cars in the replacement programme | 13 |
| Light commercial vehicles | |
| CCTV vehicle | 1 |
| Cleaning - graffiti removal | 3 |
| Small vans (various teams) | 102 |
| Medium vans (Various teams incl. Handypersons & EP) | 137 |
| Large vans | 8 |
| 3.5T tipper | 27 |
| Totals for LCVs in the replacement programme | 278 |
| Large Goods vehicles | |
| Cleaning 5.5T caged tippers | 11 |
| Cleaning 7.5T caged tippers | 8 |
| Gully sucker | 1 |
| Scarab Sweeper | 4 |
| 18t RCV | 1 |
| 26t sweepers | 2 |
| 26T RCV | 3 |
| 26T HIAB | 1 |
| 5T Cherry Pickers | 5 |
| Cleaning - Gully Sucker | 1 |
| Cleaning - Skip Lorry | 1 |
| Cleaning – JCB Excavator Loader | 1 |
| Totals for LGVs in the replacement programme | 39 |
| Totals for all vehicles in one entire cycle of the replacement programme | 330 |

Note – This is the total number of vehicles at the time of writing and includes ad-hoc and short-term hire. No work has yet been finalised with end users to reduce the fleet numbers through operation efficiency.