Council Cabinet
18 December 2019

Derby City Council

ITEM 9

Report Sponsor: Rachel North, Strategic Director of Communities and Place.
Report Author: Richard Antcliff, Director of Public Protection and Streetpride.

Derby Cleaner Fleet Policy

Purpose

1.1 To seek approval for the Cleaner Fleet Policy to further enable a reduction in tailpipe carbon emissions and other harmful pollutants from the Council's current vehicle fleet.

Recommendations

2.1 To approve the Derby City Council Cleaner Fleet Policy.

2.2 To delegate authority to the Strategic Director of Communities and Place in consultation with the Cabinet Member for Communities, Neighbourhoods and Streetpride to make amendments to the Cleaner Fleet Policy in alignment with operational, financial and environmental changes in low emission vehicle technologies and Council Plan objectives.

Reasons

3.1 The Government has set a target for all new cars and vans to be effectively zero emission (at the tailpipe) by 2040[1].

3.2 In addition the Government's Road to Zero Strategy (2018) states: '*We want to see at least 50%, and as many as 70%, of new car sales and up to 40% of new van sales being ultra-low emission by 2030'*.

3.3 Derby City Council declared a Climate Emergency in May 2019 and resolved to work on carbon reduction projects to assist the UK in achieving its international climate change obligations.

3.4 These commitments mean that significant changes are needed to our vehicle fleet to ensure the Council can meet its legal obligations moving forward.

[1] UK Plan for Tackling Roadside Nitrogen Dioxide Concentrations (2017)

Background

4.1 Derby City Council is committed to reducing carbon tailpipe emissions and other harmful pollutants. The Council recognises that in order to achieve national and local key commitments to improve air quality, that it must do more to change the way it delivers services to reduce its environmental impact, but also improve health outcomes for all.

4.2 Poor air quality is estimated to contribute up to 29000 premature deaths in the UK annually[2]. Vehicle tailpipe emissions can be a significant source of carbon dioxide and other harmful pollutants such as nitrogen dioxide, hydrocarbons, nitrogen oxides, sulphur dioxide and particulate matter.

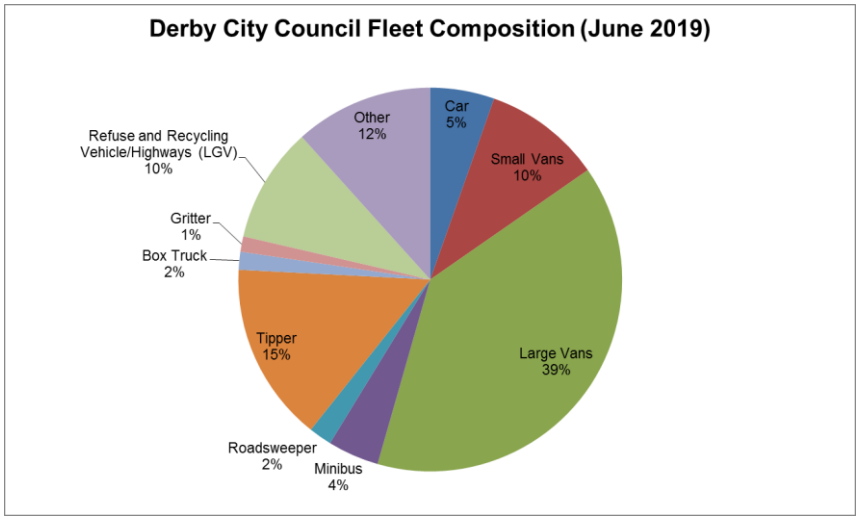
4.3 Derby's Air Quality Annual Status Report 2018 identified two declared Air Quality Management Areas with levels of exceedance for nitrogen dioxide, highlighting the need for the Council and its partners to do more to address this issue.

4.4 Derby City Council's Fleet Management Section provide a valuable service to our departments by managing the Council's vehicles, machinery and plant to ensure the continuing delivery of essential services such as refuse collection and highways maintenance.

Fleet Profile

4.5 The Council currently has a mixed fleet that comprises of the following vehicle categories seen at **Figure A** below.

Figure A: Current Derby City Council Fleet Composition



Note: 'Other' category includes: telehandlers, quad bikes, diggers, and tractors.

[2] https://www.gov.uk/government/publications/nitrogen-dioxide-effects-on-mortality/associations-of-long-term-average-concentrations-of-nitrogen-dioxide-with-mortality-2018-comeap-summary

Derby City Council - Vehicle Fleet Information (June 2019)	
Average Age of Each Vehicle	5.32 years
Average Working Day Mileage	31 miles per working day
Fuel Types Breakdown	Diesel (87.5%), Red Diesel (8%), Petrol (3.2%) and Electric (1.3%)
Emission Standards Breakdown	Euro 3 (1.2%), Euro 4 (6.3%), Euro 5 (59.1%), Euro 6 (32%) and Electric (1.4%)
Average Vehicle CO2 tailpipe emission (g/km)	184.27 g/km
Annual Fuel Cost (June 2018 to June 2019)	£1.031m

4.6 The Council estimates that every year the existing fleet releases around 2861 tonnes of carbon dioxide tailpipe emissions. It has not been possible to calculate the amount of nitrogen dioxide emitted due to the lack of vehicle manufacturer data available.

4.7 Despite efforts to reduce vehicle emissions, the Fleet Management Section has faced a number of external barriers, which are shared with other local authorities nationally, which have prevented them from significantly reducing vehicle emissions. Namely the limited availability of certain vehicle types.

Fleet Composition

4.8 Around half of the council's current fleet are heavy goods vehicles (HGVs) - weighing more than 3.5 tonnes. The HGV sector has yet to switch across to viable low-carbon fuel sources that are freely available on the vehicle market.

4.9 The Government's Road to Zero Strategy (2018) acknowledges that emissions from HGVs have remained relatively constant in recent years and that further work must be done to develop the HGV technology necessary for commercialisation.

Local Charging/Refuelling Infrastructure

4.10 There are 23500 electric vehicle chargers across the UK[3]. Derby has 74 registered electric charge points on Zap Map[4] which is currently not sufficient for mass adoption of electric vehicles, although the majority of EV private owners charge overnight at their home. Currently there is also limited refuelling infrastructure for hydrogen vehicles across the UK.

4.11 Derby City Council is currently working with Nottingham City Council and Nottinghamshire County Council to identify and deliver electric vehicle charging points across the region, following a successful joint bid to the Office for Low Emission Vehicles.

[3] Progress In Reducing UK Emissions (July 2019). Committee on Climate Change.
[4] www.zap-map.com

4.12 The Council will continue to seek funding for all tailpipe carbon reducing vehicle initiatives moving forward such as the Electric Vehicle Workplace Charging Scheme.

4.13 Furthermore the Council is currently conducting a feasibility study at its Stores Road location to establish whether a new charging hub can be sought that will be able to accommodate increased recharging and refuelling infrastructure for new and retrofitted vehicles. There is some capacity to recharge at Stores Road but this will need to be sufficiently increased.

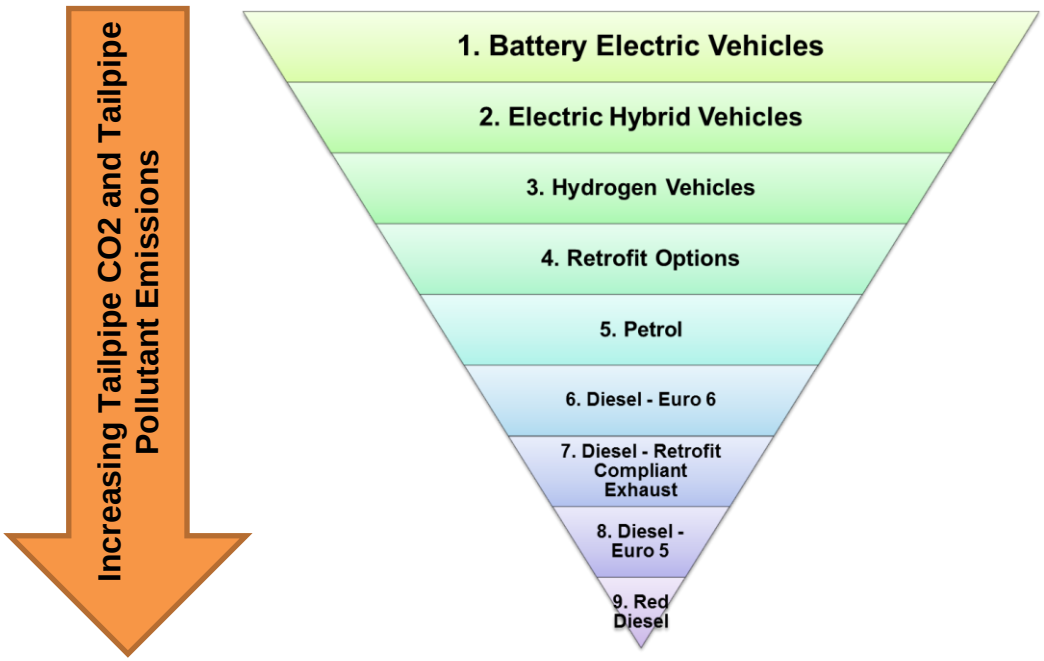
Proposal

5.1 The Cleaner Fleet Policy enables the Council to begin the process of significantly reducing its vehicle tailpipe emissions over the next decade.

5.2 Under this new policy, all existing internal combustion engine (ICE) cars and vans with a revenue weight of less than 2.5 tonnes will be replaced with an electric battery vehicle when they have reached their predicted end date. This will currently apply to 46 vehicles and will remove 98 tonnes of CO2 tailpipe emissions from our atmosphere every year in Derby.

5.3 In addition the policy also introduces a national first 'Low Emission Hierarchy of Vehicle Procurement' **(See Figure B).** This will give the Council the flexibility to take advantage of future shifts in the operational, financial and environmental changes we anticipate across low emission vehicle technologies moving forward.

Figure B: Low Emission Hierarchy of Vehicle Procurement



5.4 The Low Emission Hierarchy of Procurement will apply to all new vehicles and will act as the starting point for all vehicle acquisition decision making moving forward. For instance, if a User Department requires a replacement vehicle, the department in conjunction with the Fleet Management Section must always consider battery electric vehicle options first.

Where viable low emission technology for an existing vehicle category doesn't exist, consideration will be given to the cleanest diesel and petrol vehicles to ensure the Council can continue to deliver essential services whilst also continuing to reduce harmful pollutant emissions and carbon dioxide.

5.5 As part of the replacement process a more robust vehicle life cycle cost evaluation will be adopted and shared with departments to help them determine the most suitable vehicle in the corresponding low emission category. This enhanced process will take new vehicle manufacturing data and enable departments to compare similar vehicles available on the market, ultimately reducing costs for the Council.

5.6 The policy also introduces a new requirement for departments to develop a business case should they require an additional vehicle above existing fleet numbers. The business case will need to take into account low emission considerations and the final decision will be made by the Fleet Management Section on whether a new vehicle can be acquired above existing levels.

Public/stakeholder engagement

6.1 All relevant internal and external teams e.g., Derby Homes, have been consulted on the proposed policy. All responses have been collated and shared with senior leaders to inform policy development prior to Cabinet.

Other Options

7.1 Option 1 - Do Nothing: To continue procuring new vehicles without a requirement on departments for zero/lower emission vehicles, will not result in a significant reduction of harmful emissions and will continue to have a detrimental impact on our environment and the health of Derby's residents.

7.2 Option 2 - Approve the Cleaner Fleet Policy:

- Reduction in harmful vehicle tailpipe emissions across Derby.
- Health benefits to the residents and visitors of Derby.
- Reduced fuel (running) costs for the Council, for example electricity is significantly cheaper than diesel or petrol on pence per mile basis.
- Improved reputation as a national leader in the transition to ultra-low emission vehicles.

Financial and value for money issues

8.1 The change proposed in this report will take place gradually and be funded as part of the business as usual vehicle replacement programme. Additional capital costs and the necessary funding will be identified before any new refuelling infrastructure is installed as part of the vehicle acquisition process. It is believed that potential additional costs could be offset by reduced mileage costs, future Government incentives and vehicle technology development, but this position will evolve and will only firm up as the roll out takes place.

Legal implications

9.1 There are no specific legal implications arising from the introduction of this policy. Regard will need to be had to ensuring that its implementation works seamlessly with the Council's wider statutory procurement obligations so that advice and support from the corporate Procurement Team in refining the application of the policy will be necessary.

Other significant implications

10.1 The Fleet Management Section have produced an Equality Impact Assessment and are working with the Council's Equalities Panel to ensure that any emerging risks such as reduced vehicle noise and safe use of electric charging points are managed effectively as the policy is delivered.

10.2 Human Resources – The Fleet Management Section will undertake City and Guilds Electric Vehicle Training for in-house maintenance of battery electric vehicles. Derby Homes electricians are currently being trained on the installation of electrical charging points.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Head of Legal, Olu Idowu	23.08.19
Finance	Head of Finance, Amanda Fletcher	20.08.19
Service Director(s)	Richard Antcliff, Public Protection and Streetpride	
Report sponsor	Rachel North, Communities and Place	
Other(s)	Head of Procurement, Linda Spiby	13.08.19
	Submitted to Equality and Diversity Lead, Ann Webster	20.08.19

Background papers:	N/A
List of appendices:	