

COUNCIL FLEET REPLACEMENT STRATEGY

2022/23-2028/29 (7 YEARS)



January 2022

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EXECUTIVE SUMMARY

The Fleet Replacement Strategy sets out the process and governance by which the Council's fleet and plant requirements (some 239 vehicles and plant) are identified scheduled for replacement and procured.

The 239 units are made up of 146 vehicles and 93 items of plant machinery including road-going plant.

The Strategy identifies the current and future fleet requirement, the operational life of this fleet and explores the legislative requirements around operating large goods vehicles and environmental considerations in terms of air pollution and vehicle emissions.

The Strategy also takes into consideration how any replacement programme should not always be on a like-for-like basis, but should take advantage of new and emerging technologies such as ultra-low emission vehicles (ULEV) in its vehicle specifications.

In addition, the Strategy describes the financial considerations and how by adopting the Strategy, the Council can improve its longer-term financial planning.

Importantly, the Strategy describes the different procurement options in terms of financing options available to the Council, the on-going revenue costs for maintenance and repayment for initial capital outlay of replacement vehicles.

The Strategy identifies how the charges to services are broken down into two distinct areas, the procurement recharge, and the fleet management and maintenance recharge.

The procurement recharge covers the cost of procuring the vehicle. If the vehicle has been procured from Council Capital Reserves, this will be paid into a Vehicle Procurement Reserve to fund future replacements. Or if financed via another option will repay the financing of the vehicle.

The maintenance recharge element covers all maintenance activities over the operational life of the vehicle and also includes the costs of Insurance, taxation, Operator licensing and compliance. This element of the recharge is paid into the Vehicle Maintenance Reserve and is available to the workshop to fund repairs and parts as vehicles age before replacement.

The key elements of the strategy are that the approval of the vehicle replacements is separated from the chosen method of financing the fleet replacements.

This strategy provides a governance process to approve the replacement programme, subject to annual review, with a decision on the appropriate finance options identified to complement the Council's medium term financial strategy.

A detailed section on risk management is included, together with the annual replacement process, governance arrangements and the timescales for reviewing the strategy.

Included in the appendices is a Master Fleet List, which provides information on the fleet listing the vehicles by type of operation, make and model, current age, efficient operational life and replacement cost.

The final appendix includes document control sheets, in order that the strategy and any changes and a history of replacements is maintained and controlled.

1. INTRODUCTION

- 1.1 The Council currently operates a varied fleet of 239 vehicles and plant (as at December 2021) of varying types, from mowing machines and vans to refuse vehicles, to provide its numerous services to the residents of the Borough.
- 1.2 The current estimated net book value of the 239 items of fleet is £13,363,604 and does not include small plant and hand tools. Only road going motor vehicles and large plant is included in this strategy.
- 1.3 Through the works of the Council's Strategic and Operational Transport Group, the Transport vehicle fleet has reduced by 33% from 220 vehicles to 146 since 2011. The fleet is made up of vehicles of mixed ages and types, on an agreed programme of annual replacements.
- 1.4 Following these Strategic and Operational Transport Group reviews, regular reports for the replacement of the fleet 2012, 2015, 2016, 2017, 2018 and 2019/20 have been approved, with all of the fleet being replaced over this period.
- 1.5 These previous reports for the replacement of the fleet have been approved on a per report basis. However, this approach does not support the Council's long or medium term financial strategy as future planning for the appropriate funding requirements for fleet replacement has been dealt with on an as required basis.
- 1.6 This Strategy document provides the background to the current position, sets out the Council's current fleet requirements and the length of their safe and efficient operation before they need to be replaced.
- 1.7 The strategy also takes into account possible changes to the Council service operations and the impact on fleet and the introduction of new legislation. It also considers the take up of new technological advances in providing the Council with a fleet that operates to the maximum efficiency in a safe and legal manner.
- 1.8 This strategy covers the fleet replacement activities and financial requirements/costs for the period 2022/23 to 2028/29 (7 years).
- 1.9 The anticipated estimated spend (not including any borrowing) over the next 7 years is as follows, and is based on a mix of previous spend prices adjusted for potential increased manufacturing costs

Date/Year	Number of items to replace.	Estimated Expenditure £
2022/23	51	1,155,450
2023/24	19	1,144,754
2024/25	43	1,596,500
2025/26	82	6,670,500
2026/27	28	338,204
2027/28	28	572,900
2028/29	26	2,319,500
Total 7 Year Expenditure		13,797,808

2. FLEET REQUIREMENTS

- 2.1 In the identification of the Council's Fleet requirements, consideration must be given too many factors. Fleet vehicles support the provision of both direct operational services to the public (for example refuse collection vehicles) and also the Council's support services (vans for IT support to out-stations).
- 2.3 There are five important questions that must then be asked to determine what the Council's Fleet requirements are:
- Is this a service that the Council wishes to see provided?
 - Is this service provided by the Council directly?
 - What are the fleet requirements for the identified level of service?
 - What are the financial implications for the Council?
 - What are the risks to the Council – if any of the above change?
- 2.4 Transport Services continually challenges operational services managers to identify fleet savings. All of the vehicles listed in the attached Appendix have been identified by the managers of the service areas as essential for the operation of these services and equally as important, within revenue funding envelopes to pay back the purchasing costs.
- 2.5 The issues around financial implications and risks are examined further in this strategy.
- 2.6 The Master Fleet List in **Appendix 1**, lists the vehicles by type of operation, make and model, current age, efficient operational life and replacement costs based on estimated 2020 prices.
- 2.7 Prior to any final procurement activity for fleet a final specification meeting takes place between transport the service requiring items of fleet to ensure accuracy and acceptance of specifications and final confirmation of need.

3. VEHICLE OPERATIONAL LIFE

- 3.1 All vehicles on the Council fleet have an expected operational life for maximum productivity and efficiency.
- 3.2 This operational life varies from 4, 5, or 8 years and is dependent upon the nature of the vehicles operation. (See below and Master Core Fleet Appendix A for vehicle specific detail).

Vehicle Type	Optimum Operational Life (Years)
Heavy Goods vehicles	8
Light Commercial	8
Compact Road Sweepers	5
General Plant	8
Ride on Lawn Mowers	4
Selected 2.2t High Mileage vans	5

- 3.3 Any extensions to the fleet age profile would require additional routine and reactive maintenance. This would result in increased vehicle down time and an increase in maintenance parts costs due to increased wear on major components.
- 3.4 Any extensions to the fleet age profile may result in the need for addition fitters to ensure the additional maintenance arrangements can be fulfilled.
- 3.5 Additional financial provision for short term replacement would be required.
- 3.6 In addition, as vehicles lives are extended and worked harder, there will be an increase in

breakdowns and additional off-road time for maintenance and a corresponding increase in more harmful emissions as engines become less effective.

- 3.7 Vehicle down-time results in loss of productivity and efficiency of the workforce resulting to reduced service delivery.
- 3.8 The increased vehicle downtime would inevitably lead to an increase in the use of short term rental vehicles to supplement the increase vehicle downtime this would *come* at a significant financial cost.

4. LEGISLATIVE REQUIREMENTS

The Council's 'O' Licence

- 4.1 Transport is one the most heavily regulated activities in industry and in order to operate its fleet of Large Goods Vehicles and Buses, the Council must have a named individual as a person with a Certificate of Professional Competence (CPC) to hold each licence in order to operate its fleet.
- 4.2 The Council currently operates with two Operators Licences one for goods vehicles and one for Passenger carrying vehicles.
- 4.3 The 'O' Licence holder has a legal responsibility to ensure that the Council operates its fleet in a legal and safe manner, and even though not all Council's vehicles are subject to 'O' Licencing regulations, (those vehicle less than 3.5Tons gross vehicle weight and those with less than 9 passenger seats) the Traffic Commissioners expects that an approved operator would apply the same rigour and approach to all vehicles on its fleet.
- 4.4 The duties of the 'O' Licence holder covers all operations of the Council's fleet provision and include ensuring that drivers and vehicles do not break any laws relating to vehicles, driving and Operators Licensing.
- 4.5 The general requirements of the Council under its Operators License are
- Vehicle will be roadworthy and free from defects.
 - The Council must have comprehensive maintenance arrangements in place for the inspection and maintenance of vehicles, and must be adhered to.
 - Vehicles will operate within speed limits.
 - Vehicles will not be overloaded.
 - The rules on driver's hours and tachographs will be observed and proper records kept.
 - Drivers must report any defects or symptom of defects that may affect the safe operation of the vehicle.
 - The limits of numbers of authorised vehicles must not be exceeded at any operating centre.
 - All prosecutions and convictions relating to driving and or any conviction that may affect the good repute of the controlling person/persons of the business must be reported to the Traffic Commissioner.

The list above is not meant to be exhaustive but give a flavour of the requirements laid down under Operator Licensing regulations.

Environmental Issues/Greater Manchester Caz (Clean Air Zone)

- 4.6 Legislation regarding vehicle emissions is constantly being reviewed and updated. Current emission standards are based on Euro 6 type engines.
- 4.7 Not only do improved engines reduce carbon dioxide, nitrogen oxides (NOX) and Particulate Matter (PM) emissions but also improve fuel efficiency.

- 4.8 National; and regional policies and plans to improve air quality, require that the Council must take this and any new environmental issue into consideration when replacing its fleet.
- 4.9 At the time of writing, the intention is that Greater Manchester Combined Authorities will implement its CAZ (Clean Air Zone) plans on 30 May 2022, with LGVs and Minibuses exempt until 2023, this in essence means that commercial vehicles with less than a euro 6 diesel will have a tariff applied to it should it be driven in the CAZ area. The tariffs that have been set for non-compliance with the CAZ emission limits are LCV £10 per day and HGV £60 per day, it is anticipated this will increase as years progress. The government has specified four categories of CAZ where vehicles must meet the following minimum emissions standards to be compliant with clean air emissions standards:

Categories: Government has specified four categories of Clean Air Zones where drivers of non-compliant vehicles would pay a penalty to travel within a designated area.

Category	Vehicle Types	Age of compliant vehicles:
CLASS A	Bus, Car, Van	Car/Taxi Diesel Euro 6 (2015) Petrol Euro 4 (2005)
CLASS B	Bus, Car, Van, Truck	Van Euro 6 (2016)
CLASS C	Bus, Car, Van, Truck, LCV	Bus/HGV Euro 6 (2013)
CLASS D	Bus, Car, Van, Truck, LCV, Motorcycle/Moped	Motorcycle/Moped Euro 3 (2007)

Ultra-low emission vehicles with a significant zero-emission range are exempt.

(The Government have established the Joint Air Quality Unit (JAQU) to help deliver the National Clean Air Plan and are closely guiding local authorities).

Exemptions

The CAP (Clean Air Plan) has provided for exemptions for certain vehicle types, a list of these exemptions can be found at <https://cleanairgm.com/clean-air-zone/discounts-and-exemptions/>

- 4.10 The council's fleet consists of diesel and petrol fuelled vehicles, with 10 electric vans currently in service or about to go into service. Most manufacturers are developing alternative fuels to power vehicles. This technology is still largely in development for most types of vehicle we operate in comparison to diesel or petrol fuelled vehicles. However, it may be suitable for certain vehicles and the roles we require them to carry out.
- 4.11 With the government pledging in its 2019 Clean Air Strategy to ban commercial sales of petrol and diesel engines by 2040, (recently proposed in parliament February 2020 to reduce this to 2030 for petrol and diesel cars, 2035 for Light Commercial vehicles and 2040 for Heavy Goods Vehicles) it is quite clear that these alternatives are going to be the preferred choices in years to come.
- 4.12 If there is a suitable vehicle available powered by alternative fuels we will look to procure over petrol or diesel fuelled vehicles after considering financial implications, infrastructure and vehicle usage.
- 4.13 ULEV (Ultra Low Emission Vehicles) including wholly electric vehicles would be the preferred recommendation going forwards subject to the following:
- Availability of choice in vehicle types, especially for those vehicles of a specialist nature e.g. refuse vehicles, Road Sweepers, Gritters etc.
 - That proposed electric vehicles are affordable, the majority currently being trialled and operated across various more affluent Councils are either concept vehicles in development or prototypes, and as such carry a disproportionate costs.
 - A robust and effective charging infrastructure is implemented to ensure operational

issues are addressed.

- The operational services are able to adapt their operations to electric vehicle limitations.

4.14 Transport Services will at all times, put environmental considerations at the top of its priorities when developing the business case for replacement of fleet.

4.15 Contained within the scope of this strategy must be the facility to replace some specific vehicles early if it means improving the environmental impact or safety of particular vehicles.

This could be as a result of:

- Operational changes and service reviews
- New emerging technologies could mean there is a viable business case for changing vehicle type or specifications.
- Specific high mileage vehicles that struggle to maintain their own emission standards due to excessive engine wear.

Any changes to fleet will require a sound business case developing giving a sound costs benefit analysis of the required changes, and assurances from finance that affordability is ensured.

5 NEW & EMERGING TECHNOLOGIES

5.1 Vehicular transport has been at the cutting edge of new technology since the first vehicles arrived on the road.

5.2 The internal combustion engine is now accompanied by both electric and fossil fuel/electric hybrid engines.

5.3 Many of the developments have been progressed to meet efficiency and environmental concerns and can be seen by the development of ultra-low emission vehicles (ULEV).

5.4 Other developments outside of fuel economy and environmental issues, relate to safety, such as automated braking and, lane departure systems to name but two, comfort and improved driving experience such as on-board computers and diagnostics, and technologies we now take for granted such as satellite navigation and vehicle positioning are 'standard' items, but add to the cost.

5.5 Driverless vehicles are now being tested and other innovations may be just around the corner.

5.6 The Council must always ensure that these technologies are considered when developing its replacement programme.

6. VEHICLE SPECIFICATIONS AND BUILD TIMES

6.1 These new technologies, if appropriate, are identified in the vehicle specification once agreed and approval to replace vehicles has been given.

6.2 In addition to any new technologies, many of the vehicles operated by Council also require specifications which differ from commercially available vehicle production.

6.3 As a result of this requirement for bespoke specification, which is common across municipal fleets across the country, vehicles are not available off-the-shelf.

6.4 Manufacturers of municipal vehicles such as refuse collection vehicles, allocate 'build-slots' following an official order and the production build of many of this type of vehicle can be from

6 to 12 months.

- 6.5 This is an important consideration when planning a replacement programme as any delays in the procurement cycle can lead to an increase in the use of existing vehicles and the issues and costs relating to the optimum operational life of vehicles coming into play.

7. FINANCIAL CONSIDERATIONS – FINANCIAL PLANNING

- 7.1 A major influencing factor in the development of this strategy is to enable more cohesive medium term financial strategy to support fleet replacement in line with Council priorities.
- 7.2 The Master Fleet List details the estimated replacement costs for the Council's fleet for an 8 year period (at current estimated replacement costs).
- 7.3 Competing financial demands on the Council's resources has resulted in delays to the fleet replacement programme as the process relied each time on detailed financial analysis and appraisals as part of the process for approval of the replacement programme.
- 7.4 The separation of the up-front financial cost of procurement from the need to confirm and justify the requirement to replace vehicles assists both services in identifying fleet requirements and the Council to plan its capital requirements and to identify the most prudent procurement option for the Council.
- 7.5 By having a long term 7 year strategy in place (with an estimate of replacement costs for each of these years), the Council can include fleet requirements in its medium term financial plans to provide the most cost effective procurement.
- 7.6 As services have identified revenue budgets to 'pay' for their transport, the service need is for a replacement vehicle, not for capital investment.
- 7.7 The Council having supported this need can then identify the preferred procurement option at the time.

8. FINANCIAL CONSIDERATIONS- FUNDING OPTIONS

- 8.1 The Council has a variety of options when financing the procurement of its fleet.
- 8.2 There are four main options, but at any procurement exercise may select one or more these options to procure the fleet.

Funding Method	Overview
Direct Purchase from Council Reserves. -	<p>The Council would acquire outright ownership of the vehicles at the outset and would make a one off payment to the supplier.</p> <p>The Council would then recover the capital outlay from Services as part of the 'rental' charge for the vehicle. The Council would also have an asset with residual value to support the cost of the next replacement exercise.</p>
Operating Lease	<p>Under an operating lease the Council would pay regular rental payments to the supplier, at the end of the lease agreement the Vehicles would return to the supplier. The Council would not have ownership of the vehicles at any point under an operating lease. The Council would still need to add maintenance costs into any financial assessment as operating leases are normally without maintenance</p>

	included. It should be noted that estimated residual values for the Operating Lease option are often calculated at a higher value by the lease company than the Council would determine. In addition to this the return conditions placed on the Council are unrealistic for the age and use of the vehicles and previously the Council has incurred significant unbudgeted costs when vehicles are returned.
	Finance Lease Under a Finance Lease the Council would make regular payments to the supplier, the payments would be made up of a Principal repayment element and an interest element. At the end of the lease term the ownership of the Vehicles would be with the Council, with a residual value to off-set future costs
8.3	Prudential Borrowing The Council would acquire outright ownership of the vehicles at the outset and would make a one off payment to the supplier. The Council would then be required to repay the Borrowing over the operational life of the vehicles. Interest rates will be applicable and subject to market fluctuations. This borrowing is repaid from Services as part of the 'rental' charge for the vehicles and residual value would be available to off-set future costs.

The section on governance below describes the separation of the financing from the identification of fleet replacement.

9. COSTS TO SERVICES

- 9.1 Service areas have an allocated revenue budget identified to pay for their transport costs.
- 9.2 This budget is used to pay recharges to Transport Services for the cost of each vehicle.
- 9.3 This recharge consists of three elements;
- Procurement recharge
 - Fleet management (including licences, certifications, insurance and taxation etc.)
 - Maintenance recharge.
- 9.4 The procurement recharge pays for the initial purchase cost, spread evenly over the operational life of the vehicle. If the vehicle has been procured from Council Capital Reserves, this will be paid into a **Vehicle Procurement Reserve** to fund future replacements. Or if financed via another option will repay the financing of the vehicle.
- 9.5 The fleet management element of the recharge covers such things as Insurance, taxation, Operator Licensing and compliance.
- 9.6 The maintenance recharge element covers servicing, safety inspections and wear and tear repairs and includes an estimate by vehicle type of parts required over the operational life of the vehicle. This element of the recharge is paid into the **Vehicle Maintenance Reserve** and is available to the workshop to fund repairs and parts as vehicles age before replacement.
- 9.7 The three recharge/costs elements are calculated over the whole life of the vehicle for the optimum life of 4, 5 and 8 years. This allows service and the Council to accurately budget for its fleet requirements.

10. VEHICLE MAINTENANCE

- 10.1 Vehicle maintenance costs are calculated by vehicle type and are based on the whole life

costs of the vehicle, and includes all servicing, repairs and tyre costs with the exception of misuse and damage and unfair wear and tear.

- 10.2 The Council has 4 vehicles on fleet that act as maintenance spares these vehicles are the best of the old fleet retained to support services during times or prolonged periods of vehicle down time. The current spares are allocated to two service areas, refuse Collection and Street Cleansing (Road Sweeping)
- 10.3 Refuse collection currently has three 2012 plated refuse collection vehicles that were retained as operational maintenance spares when their replacements arrived in 2020.
- 10.4 Street Cleansing currently has one 2015 plated sweeper which was retained as a maintenance spare when its replacement arrived as part of the seven new sweepers purchased 2020.
- 10.5 These maintenance spare vehicles will be kept and maintained until the next batch of vehicles are due replacement, where they will be replaced with the best of the old units. This process is a continual rolling process.
- 10.6 The costs of these vehicles are recharged back to the users under an insurance and maintenance only arrangement.
- 10.7 It must be noted the spare vehicles retained, are not viable for front line use and only used in a temporary limited use capacity to ensure continuation of services during significant core fleet unavailability due to maintenance.

11 RISKS

- 11.1 The main risks associated with not replacing the Council fleet are:

Implications of Not Replacing Fleet Vehicles

- 11.2 Any extensions to the fleet age profile would put additional burden on maintenance provision; this would still result in increased vehicle down time.
- 11.3 As vehicles age harmful emissions increase with engine wear further increasing air quality risks.
- 11.4 Additional financial provision for short term replacement would be required.

Impact on Vehicle Availability and Maintenance

- 11.5 As vehicle lives are extended and worked harder, there will be an increase in breakdowns and additional off-road time for maintenance.
- 11.6 As vehicle lives are extended and engines wear, there will be a significant increase in harmful emissions.
- 11.7 Vehicle down-time results in loss of productivity and efficiency of the workforce.
- 11.8 The increased vehicle downtime would inevitably lead to an increase in the use of short term rental vehicles to supplement the increase in vehicle downtime. This would come at a significant financial cost.
- 11.9 Further service reviews may identify a need to reduce the overall vehicle demand, and return one or more of the vehicles before the end of the borrowing/lease period. In this event, the service area may be subject to early return costs. These costs will need to be met by individual services and calculated using the receipts of the sale to offset the outstanding

borrowing, the short fall (if any) will be recharged to the service returning the vehicle.

Other Issues

- 11.10 The Council needs to consider its current plans for the delivery of operational services. To protect the Council, should any services be provided by an external supplier, provision should be made with the supplier to utilise any Council owned fleet to deliver services.
- 11.11 A summary of the risks, impact and mitigating factors are included in **Table 2**, below, divided into two categories, replacing or not replacing the fleet.

Table 2: Risk Summary

Replacing the Fleet			
Risk:	Impact:	Mitigating Actions:	Outcome:
Price increases	Additional Costs	Procurement processes/Competitive Tendering/use of Frameworks	Subject to market forces
Reduction in Services	Possible fleet surplus/reducing impact as fleet ages	New Fleet – higher residual value/Long term savings on fleet costs	Risk minimised
Stopping of Services	Possible fleet surplus/reducing impact as fleet ages	New Fleet – higher residual value/Long term savings on fleet costs	Risk minimised
Service Provided by third party	Possible fleet surplus/reducing impact as fleet ages	Include in arrangements with provider to utilise Council Fleet	Risk minimised
Residual values	Cost shortfall	Subject to market forces/Vehicle managed and maintained Condition reviews. Utilisation of best disposal options.	Still provides Council with cost effective option for fleet replacement
Delivery Times	Service delivery / safety	Early decision	Urgent action required
Not Replacing the Fleet			
Risk:	Impact:	Mitigating Actions:	Outcome:
Impact on Service Delivery	Downtime / inefficiencies	Replace fleet	New Fleet
Impact on Air Quality	Increase in harmful emissions	Replace engines/or fleet item	New Fleet
All vehicles require replacement next year (roll on effect)	Cost/ safety	Replace fleet	New Fleet
Compliance with Procurement Standing orders	If vehicles provided under a contract hire/lease agreement then item cannot be permitted to run out of contract	Replace under short term hire framework contract.	Temporary solution only short term hire can be used from 1 day to 1 year. Increased costs
Increased costs Servicing / Repairs Downtime Replacement hires Staff time	Increased costs Servicing / Repairs Downtime Replacement hires Staff time	Replace fleet	New Fleet

12 ANNUAL REPLACEMENT PROCESS

- 12.1 The separation of the fleet requirements from the financial arrangements required for procurement provides for a simplified process.
- 12.2 The Master Fleet List by service, 2021 edition included at **Appendix 1**, identifies those vehicles that require replacement in the following year, together with estimated replacement costs.
- 12.3 Transport Services will provide a list to each service area of the vehicles that require replacing, complete with an estimate of the annual recharge for each vehicle.
- 12.4 The annual recharge will be based on the **Vehicle Maintenance Reserve** and an estimate the **Vehicle Procurement** charge, based on the procurement cost plus an addition to cover the procurement finance option (interest if any).
- 12.5 The service area managers will be required to confirm their requirements and the availability of revenue funding to support the replacement.

13 ADDITIONS TO CORE FLEET

- 13.1 There will inevitably be requirements for services to increase or add to their operational fleets to improve or change their service offers.
- 13.2 Where a service identifies the need for an additional vehicle or plant equipment not currently registered on the core fleet schedule, the following governance arrangements will be followed.

1	The Head of Service will carry out an evaluation of need to determine the services future requirements.
2	A short business case will be developed and presented to the Director or Assistant Director of the service for approval. This business case will include the following. <ul style="list-style-type: none"> • The reasons for the new requirement. • The length of time the new vehicle/equipment will be required. • Evidence of affordability from revenue for the repayments of all capital, borrowing and running costs such as Transport Services recharges. (Transport Services will assist in providing this information). • Legal implications, compliance with the Councils Operators Licence, e.g. the Councils ability to legally operate any new vehicle/equipment.
3	Once Director approval is obtained the above business case will form the basis of a formal report to the Strategic Capital Panel for Authorisation to procure the additional vehicle/equipment and include it in the core fleet schedule for future replacement of the vehicle.

- 13.3 Once the above governance is in place Transport Services will develop a suitable specification and arrange procurement of the required vehicle/equipment and arrange the future management and maintenance of the vehicle.

14 DISPOSAL

- 14.1 When owned vehicles come to the end of their operational life, they will be disposed of via auction to allow fair competition to the vehicles and to ensure the best price is obtained.
- 14.2 The disposal process normally takes place on delivery of the vehicles replacement.

- 14.3 Transport services will use its selection of preferred auction houses to carry out the disposal function.
- 14.4 The choice of auction house will be determined by past performance in obtaining best prices when taking into account the trade pricing guides and business intelligence.
- 14.5 Receipts from all sales will be paid into the Transport services reserves for supporting future fleet replacements.
- 14.6 Leased or hired vehicles will be handed back to the lease company at the end of their lease (subject to any agreed extension periods), any end of lease charges will be negotiated to minimise the cost to the Council.

15 GOVERNANCE

- 15.1 To support the replacement process and to ensure due diligence, Transport Services will be required to comply with the Council's Financial Regulations and Procedures together with the Openness of Local Government Bodies Regulations 2014 (legislation.gov.uk) 2014 and as set out in Section 2 of the Financial Regulations and procedures as approved by Full Council on the 5 October 2021.
- 15.2 Once approval to proceed with the procurement of the replacement vehicles or plant is secured, the procurement process can be progressed in line with the Council's Standing Orders.
- 15.3 Simultaneously, the required full fleet replacement schedule will be provided to the Finance Team to undertake an appraisal of the financing options for their procurement in line with item 8.2 above

16 REVIEW OF THE STRATEGY

- 16.1 The replacement strategy will receive an annual review during fleet procurement activities, prior to replacement authorisation reports being submitted.

APPENDIX 1

MASTER FLEET LIST as of December 2021

ADULT SERVICES

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Current Net Book Value £
12 Seat Minibus	1	Adult Services	8	41,000
8 Seat Minibus	1	Adult Services	8	41,000
2.8Ton Panel Van	1	Adult Services (Copley Gdns)	8	18,000
2.2Ton Panel Van	6	Community Response	5	75,000
			Total Value	175,000

DEMOCRATIC SERVICES

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Current Net Book Value £
Mayoral Saloon Car	1	Democratic Services	3	30,254
			Total Value	30,254

COMMUNITY SAFETY

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Current Net Book Value £
Land rover Defender 110	1	Community Safety	8	28,500
			Total Value	28,500

ENGINEERING SERVICES/OPERATIONS

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Current Net Book Value £
7.5Ton 14M Access Platform	4	Engineering Operations	8	400,000
7.5Ton Tipper/Compressor	4	Engineering Operations	8	240,000
7.5Ton Tipper/Hiab	1	Engineering Operations	8	68,000
18Ton Gully Tanker	2	Engineering Operations	8	330,000
18Ton Hooklift Tipper/Gritter	4	Engineering Operations	8	560,000
2.2Ton Van	4	Engineering Operations	8	72,000
26Ton Hooklift Tipper/Gritter	2	Engineering Operations	8	360,000
3.5Ton Tipper	3	Engineering Operations	8	90,000
3.5Ton Panel Van	1	Engineering Operations	8	24,500
Gritter Body (WX65ZKO)	5	Engineering Operations	8	50,000
Highways Surfacing Machine	3	Engineering Operations	8	170,000
Hydraulic Breaker/Pecker	6	Engineering Operations	8	30,000
JCB Excavator/Backhoe	5	Engineering Operations	8	300,000
JCB Tele handler/Load all 531-70	2	Engineering Operations	8	120,000
Mini Excavator	2	Engineering Operations	8	52,000
Snow Plough	5	Engineering Operations	8	30,000
Trailer (Tacheuchi TRA0117)	1	Engineering Operations	8	2,500
Trailer Compressor	1	Engineering Operations	8	6,000
Trailer for Bomags	3	Engineering Operations	8	7,500
Bomag Vibrating Road Roller	3	Engineering Operations	8	27,000
			Total Value	2,939,500

ENVIRONMENTAL HEALTH

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Current Net Book Value £
4 x 4 Pick Up Double Cab	2	Environmental Health Cemeteries	8	50,000
JCB 1Ton Dumper	7	Environmental Health Cemeteries	8	108,500
Mini Excavator	2	Environmental Health Cemeteries	8	49,000
Mini Excavator Trailer	2	Environmental Health Cemeteries	8	5,000
2.2Ton Panel Van	3	Environmental Health Pest Control	8	54,000
2.2Ton Panel Van	1	Environmental Health Trading Standards	8	18,000
			Total Value	284,500

ICT SERVICES

ICT SERVICES				
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Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Current Net Book Value £
2.2Ton Panel Van	2	ICT Services	8	36,000

Total Value 36,000

LIBRARY SERVICES				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Current Net Book Value £
2.2Ton Panel Van	2	Library Services	8	36,000
2.8Ton SWB Panel Van	1	Library Services	8	20,000
Total Value				56,000

MESSENGER SERVICES				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Current Net Book Value £
2.2Ton Van	2	Messenger Services	8	36,000
Total Value				36,000

OPERATIONS AND GREENSPACE				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Current Net Book Value £
4 X 4 Ariel Access Platform	1	Operations and Greenspace	8	57,000
7.5Ton Hook lift Tipper	3	Operations and Greenspace	8	180,000
7.5Ton Caged Tipper	1	Operations and Greenspace	8	55,000
2.2Ton Van	4	Operations and Greenspace	8	72,000
Ride-on Mower	10	Operations and Greenspace	4	217,000
4.5Ton Road/Pavement Sweeper	7	Operations and Greenspace	5	560,000
18Ton Road Sweeper	2	Operations and Greenspace	8	260,000
7.5Ton Compact Road Sweeper	1	Operations and Greenspace	8	120,000
4 x 4 Pick Up Double Cab	6	Operations and Greenspace	8	147,500
3.5Ton Tipper	20	Operations and Greenspace	8	582,500
3.5Ton Van	2	Operations and Greenspace	8	40,000
GM Trailer	2	Operations and Greenspace	8	5,400
Pedestrian Mower	21	Operations and Greenspace	5	89,000
Pedestrian Vacuum	1	Operations and Greenspace	5	950
Bowser	1	Operations and Greenspace	8	500
Wood-Chipper	1	Operations and Greenspace	5	47,000
Tractor	4	Operations and Greenspace	8	225,000
Luton Box Van	1	Operations and Greenspace	8	28,500
Pegasus Wide Area Mower	3	Operations and Greenspace	8	90,000
Tractor mounted splitter	1	Operations and Greenspace	8	10,500
Tractor mounted seeder	1	Operations and Greenspace	8	18,500
Tractor mounted verti-drainer	1	Operations and Greenspace	8	27,000
7.5T Road Sweeper	1	Operations and Greenspace	8	130,000
Total Value				2,963,350

FLEET SERVICES/INTEGRATED TRANSPORT UNIT				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Current Net Book Value £
4 x 4 Pick Up	2	Transport Services	8	49,000
3.5Ton MWB Panel Van	1	Transport Services	8	26,000
16 Seat Welfare Bus	10	Transport Services (ITU)	8	800,000
Total Value				875,000

WASTE SERVICES				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Current Net Book Value £
Refuse Collection Vehicle	31	Waste Services	8	5,750,000
7.5Ton Box Van	2	Waste Services	8	110,000
7.5Ton Caged Tipper	1	Waste Services	8	55,000
4 x 4 Pick Up	1	Waste Services	8	24,500
Total Value				5,939,500

Total Fleet Value 13,363,604

APPENDIX 2A**Fleet Replacement Schedule Year 2022/23**

ENGINEERING SERVICES/OPERATIONS				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
18Ton Gully Tanker	1	Engineering Operations	8	165,000
Mini Excavator	1	Engineering Operations	8	27,500
2.2Ton Panel Van	1	Engineering Operations	8	18,000
7.5Ton 14M Access Platform	4	Engineering Operations	8	400,000
			Total Value	610,500
COMMUNITY SAFETY				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
Ford Transit 2.8T TL	1	Community Safety	8	28,500
			Total Value	28,500
ENVIRONMENTAL HEALTH CEMETERIES				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
Neuson 1T Hi-Tip Dumper	1	Environmental Health Cemeteries	8	15,500
			Total Value	15,500
OPERATIONS AND GREENSPACE				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
Ride-on Mower	2	Operations and Greenspace	4	47,000
Ride-on Mower	2	Operations and Greenspace	4	29,000
Pedestrian Mower	17	Operations and Greenspace	5	61,000
Pedestrian Mower	4	Operations and Greenspace	5	28,000
Pedestrian Vacuum	1	Operations and Greenspace	5	950
Wood-Chipper	1	Operations and Greenspace	5	47,000
Pegasus Wide Area Mower	3	Operations and Greenspace	8	90,000
Tractor mounted slitter	1	Operations and Greenspace	8	10,500
Tractor mounted seeder	1	Operations and Greenspace	8	18,500
Tractor mounted	1	Operations and Greenspace	8	27,000

verti-drainer				
			Total Value	358,950

TRANSPORT SERVICES/INTEGRATED TRANSPORT UNIT				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
4 x 4 Pick Up	2	Transport Services	8	49,000
			Total Value	49,000

ICT SERVICES				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
2.2T Van	1	ICT	8	18,000
			Total Value	18,000

ADULT SERVICES

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
2.2Ton Panel Van	6	Community Response	4	75,000
			Total Value	75,000

Total Fleet Value	1,155,450
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APPENDIX 2B**Fleet Replacement Schedule Year 2023/24**

DEMOCRATIC SERVICES				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
Mayoral Saloon Car	1	Democratic Services	3	30,254
			Total Value	30,254
ENGINEERING SERVICES/OPERATIONS				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
18Ton Gully Tanker	1	Engineering Operations	8	165,000
18Ton Hook lift Tipper/Gritter	2	Engineering Operations	8	280,000
26Ton Hook lift Tipper/Gritter	1	Engineering Operations	8	180,000
Gritter Body	3	Engineering Operations	8	30,000
Highways Surfacing Machine	1	Engineering Operations	8	80,000
Snow Plough	3	Engineering Operations	8	18,000
			Total Value	753,000
ENVIRONMENTAL HEALTH CEMETERIES				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
Neuson 1T Hi-Tip Dumper	2	Environmental Health Cemeteries	8	31,000
			Total Value	31,000
OPERATIONS AND GREENSPACE				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
Ride-on Mower	3	Operations and Greenspace	4	70,500
18Ton Road Sweeper	2	Operations and Greenspace	8	260,000
			Total Value	330,500
Total Fleet Value				1,144,754

APPENDIX 2C**Fleet Replacement Schedule Year 2024/25**

ENGINEERING SERVICES/OPERATIONS				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
7.5Ton Tipper/Compressor	4	Engineering Operations	8	240,000
7.5Ton Tipper/Hiab	1	Engineering Operations	8	68,000
18Ton Hook lift Tipper/Gritter	2	Engineering Operations	8	280,000
Gritter Body	2	Engineering Operations	8	20,000
Hydraulic Breaker/Pecker	6	Engineering Operations	8	30,000
JCB Excavator/Backhoe	5	Engineering Operations	8	300,000
JCB Tele handler/Load all 531-70	1	Engineering Operations	8	60,000
Mini Excavator	1	Engineering Operations	8	24,500
Snow Plough	2	Engineering Operations	8	12,000
Trailer (Tacheuchi TRA0117)	1	Engineering Operations	8	2,500
Trailer Compressor	1	Engineering Operations	8	6,000
Trailer for Bomags	3	Engineering Operations	8	7,500
Bomag Vibrating Road Roller	3	Engineering Operations	8	27,000
			Total Value	1,077,500
OPERATIONS AND GREENSPACE				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
4 X 4 Ariel Access Platform	1	Operations and Greenspace	8	57,000
Ride-on Mower	3	Operations and Greenspace	4	70,500
7.5Ton Compact Road Sweeper	1	Operations and Greenspace	8	120,000
Bowser	1	Operations and Greenspace	8	500
			Total Value	248,000
TRANSPORT SERVICES/INTEGRATED TRANSPORT UNIT				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
3.5Ton MWB Panel Van	1	Transport Services	8	26,000
16 Seat Welfare Bus	1	Transport Services (ITU)	8	80,000

				Total Value	106,000
WASTE SERVICES					
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £	
7.5Ton Box Van	2	Waste Services	8	110,000	
7.5Ton Caged Tipper	1	Waste Services	8	55,000	
				Total Value	165,000

				Total Fleet Value	1,596,500
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APPENDIX 2D**Fleet Replacement Schedule Year 2025/26****ADULT SERVICES**

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
2.8Ton Panel Van	1	Adult Services (Copley Gdns)	8	18,000
			Total Value	18,000

ENGINEERING SERVICES/OPERATIONS

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
2.2Ton Van	2	Engineering Operations	8	36,000
3.5Ton Tipper	3	Engineering Operations	8	90,000
3.5Ton Panel Van	1	Engineering Operations	8	24,500
Highways Surfacing Machine	2	Engineering Operations	8	90,000
			Total Value	240,500

ENVIRONMENTAL HEALTH

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
4 x 4 Pick Up Double Cab	2	Environmental Health Cemeteries	8	50,000
2.2Ton Panel Van	1	Environmental Health Trading Standards	8	18,000
			Total Value	68,000

OPERATIONS AND GREENSPACE

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
7.5Ton Hook lift Tipper	3	Operations and Greenspace	8	180,000
2.2Ton Van	4	Operations and Greenspace	8	72,000
Ride-on Mower	2	Operations and Greenspace	4	47,000
4 x 4 Pick Up Double Cab	6	Operations and Greenspace	8	147,500
3.5Ton Tipper	11	Operations and Greenspace	8	312,500
3.5Ton Van	2	Operations and Greenspace	8	40,000
Tractor	4	Operations and Greenspace	8	225,000
4.5Ton Road/Pavement Sweeper	7	Operations and Greenspace	5	560,000

				Total Value	1,584,000
TRANSPORT SERVICES/INTEGRATED TRANSPORT UNIT					
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £	
16 Seat Welfare Bus	9	Transport Services (ITU)	8	720,000	
				Total Value	720,000
WASTE SERVICES					
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £	
Refuse Collection Vehicle	22	Waste Services	8	4,040,000	
				Total Value	4,040,000
				Total Fleet Value	6,670,500

APPENDIX 2E**Fleet Replacement Schedule Year 2026/27**

DEMOCRATIC SERVICES				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
Mayoral Saloon Car	1	Democratic Services	3	30,254
			Total Value	30,254

ENVIRONMENTAL HEALTH				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
JCB 1Ton Dumper	4	Environmental Health Cemeteries	8	62,000
Mini Excavator	2	Environmental Health Cemeteries	8	49,000
Mini Excavator Trailer	2	Environmental Health Cemeteries	8	5,000
			Total Value	116,000

OPERATIONS AND GREENSPACE				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
Pedestrian Mower	17	Operations and Greenspace	5	61,000
Pedestrian Vacuum	1	Operations and Greenspace	5	950
7.5T Road Sweeper	1	Operations and Greenspace	8	130,000
			Total Value	191,950

Total Fleet Value	338,204
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APPENDIX 2F**Fleet Replacement Schedule Year 2027/28****ADULT SERVICES**

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
2.2Ton Panel Van	4	Community Response	5	50,000
			Total Value	50,000

LIBRARY SERVICES

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
2.8Ton SWB Panel Van	1	Library Services	8	20,000
			Total Value	20,000

OPERATIONS AND GREENSPACE

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
Ride-on Mower	5	Operations and Greenspace	4	99,500
3.5Ton Tipper	9	Operations and Greenspace	8	270,000
GM Trailer	2	Operations and Greenspace	8	5,400
Pedestrian Mower	4	Operations and Greenspace	5	28,000
Wood-Chipper	1	Operations and Greenspace	5	47,000
Luton Box Van	1	Operations and Greenspace	8	28,500
			Total Value	478,400

WASTE SERVICES

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
4 x 4 Pick Up	1	Waste Services	8	24,500
			Total Value	24,500

Total Fleet Value	572,900
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APPENDIX 2G**Fleet Replacement Schedule Year 2028/29****ADULT SERVICES**

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
12 Seat Minibus	1	Adult Services	8	41,000
8 Seat Minibus	1	Adult Services	8	41,000
			Total Value	82,000

ENGINEERING SERVICES/OPERATIONS

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
2.2Ton Van	1	Engineering Operations	8	18,000
26Ton Hook lift Tipper/Gritter	1	Engineering Operations	8	180,000
JCB Tele handler/Load all 531-70	1	Engineering Operations	8	60,000
			Total Value	258,000

ENVIRONMENTAL HEALTH

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
2.2Ton Panel Van	3	Environmental Health Pest Control	8	54,000
			Total Value	54,000

ICT SERVICES

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
2.2Ton Panel Van	1	ICT Services	8	18,000
			Total Value	18,000

LIBRARY SERVICES

Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
2.2Ton Panel Van	2	Library Services	8	36,000
			Total Value	36,000

MESSENGER SERVICES				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
2.2Ton Van	2	Messenger Services	8	36,000
			Total Value	36,000

OPERATIONS AND GREENSPACE				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
Ride-on Mower	3	Operations and Greenspace	4	70,500
7.5T Caged Tipper	1	Operations and Greenspace	8	55,000
			Total Value	125,500

WASTE SERVICES				
Vehicle/Equipment Type	Number of Units	Service User Department	Operational Life	Estimated Replacement Cost (2021 prices) £
Refuse Collection Vehicle	9	Waste Services	8	1,710,000
			Total Value	1,710,000

Total Fleet Value	2,319,500
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