

<b>Title:</b> Bristol City Council Strategy for Fleet Vehicle Replacement	
<b>Author:</b> Nick Gingell	<b>Job title:</b> Fleet Manager
<b>Cabinet lead:</b> Councillor Cheney, Councillor Threlfall, Councillor Hance	<b>Director lead:</b> Bill Edrich

<p><b>Idea origin:</b> <i>Other</i>  <b>Date idea generated:</b> 12/04/2016</p>
<p><b>Decision maker:</b> <b>Cabinet Member</b>  <b>Decision forum:</b> <i>Cabinet</i></p>
<p><b>Timescales:</b> <i>Set out details of the timeline for this item, including proposed decision date (e.g. date of Cabinet) and Mayor's forward plan date (minimum 28 days before the decision is made)</i></p> <ol style="list-style-type: none"> <li>1. DLT 14<sup>TH</sup> June 2017</li> <li>2. SLT 4<sup>TH</sup> July 2017, 12<sup>th</sup> Sept 2017 (by exception), 5<sup>th</sup> Oct 2017</li> <li>3. Councillor Fi Hance, EV proposal 9<sup>th</sup> Oct 2017</li> <li>4. Councillor Threlfall/Councillor Cheney, new fleet proposal 16<sup>th</sup> Oct 2017</li> <li>5. Mayor Briefing prior to 6<sup>th</sup> Nov 2017</li> <li>6. Cabinet 4<sup>th</sup> Dec 2017</li> </ol>
<p><b>Purpose of Report:</b> This report seeks approval to progress the procurement of 342 new vehicles with £6.1m of capital revenue (approved by full council in February 2017).</p>
<p><b>Cabinet Member / Officer Recommendations:</b></p> <ul style="list-style-type: none"> <li>• To approve the in-house fleet as the strategic option</li> <li>• To accept that the 25% reduction of new fleet is aligned to BCC reduction in size of operations over 5 years</li> <li>•</li> </ul>
<p><b>Evidence Base:</b> Please see Full Financial Narrative Appendix A – 1 and Appendix B – Hot House</p>

<b>Revenue Cost:</b> £ No additional revenue cost	<b>Source of Revenue Funding:</b> General Fund and HRA
<b>Capital Cost:</b> £6.1m	<b>Source of Capital Funding:</b> Prudential Borrowing
<b>One off cost</b> <input checked="" type="checkbox"/> <b>Ongoing cost</b> <input checked="" type="checkbox"/>	<b>Saving Proposal</b> <input checked="" type="checkbox"/> <b>Income generation proposal</b> <input type="checkbox"/>

**Finance narrative:**  
This proposal seeks approval to progress the in-house fleet replacement programme. The approved corporate strategy and budget by February 2017 full council included a £8.4m capital investment under the capital programme over the MTFP period for the Council depreciating fleet. After internal consultation and departmental demand management review, it was concluded that the total cost of vehicles replacement can be reduced from £8.4m down to £6.1m, resulting in a capital saving of £2.3m over the same MTFP period. The revised the phasing as shown in the table below:

PL27 Strategic Property	17/18	18/19	19/20	21/22	22/23	Total
<b>Fleet Replacement</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Original spending profile in approved Capital Programme	3,700	2,900	1,300	300	200	<b>8,400</b>
Revised spending profile	3,640	2,437	0	0	0	<b>6,076</b>
Capital Savings	(60)	(463)	(1,300)	(300)	(200)	<b>(2,324)</b>

This is achieved by:

- 1) 50% reduction on general fund vehicle numbers, and;
- 2) HRA vehicle unit cost reduction due to new stock management agreement with the supplier which will result in smaller sized vehicles being used.

The capital replacement programme will result in ongoing revenue savings mainly in relation to reductions in high maintenance cost and vehicle ad-hoc hiring costs. The full year effect of the ongoing revenue savings is estimated around c£370k per annum to the general fund and c£120k per annum to HRA. The full year effect of both will commence from 19/20 onwards, due to the procurement lead time. These net savings take into account the capital borrowing costs and repayments over an eight-year asset life.

**Finance Officer:** Tian Ze Hao

**Risks:** Please see Full Financial Narrative Appendix A – 1 and Appendix B – Hot House


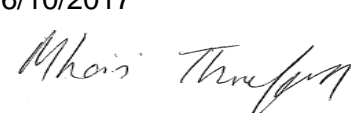
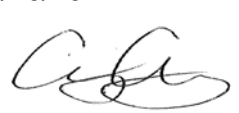
**Legal Consideration:** The purchase of vehicles will be subject to the usual rules on the procurement of goods requiring an appropriate procurement procedure to be followed to ensure that the most economically advantageous deal is obtained. This will include some form of after sales service and warranty which may affect how the vehicles may be serviced and maintained.

On the basis that no outside staff are currently involved in the servicing of the existing fleet there will be no requirement to TUPE staff from outside organisations as the Council assumes the carrying out of the maintenance and servicing of the fleet.

**Terry Wilson, Lawyer – Corporate Team**

**Benefits:** The main benefits are improved air quality (mayoral vision), reduced operational costs (fuel, breakdowns) and adoption of new vehicle technologies (EV's, Hybrids, Hydrogen Fuel Cells). Please see Appendix F- 1 and Appendix F - 2

**Consultation Details:** Please see Full Financial Narrative Appendix A – 1 and Appendix B – Hot House

DLT sign-off	SLT sign-off	Cabinet Member sign-off
Resources DLT Panel 14 <sup>th</sup> June	SLT 12 <sup>th</sup> September 2017 (by exception). Further meeting held with Alison Comley 5 <sup>th</sup> Oct 2017, approval to proceed given	Councillor Fi Hance 09/10/2017 EV proposal.  Councillor Mhairi Threlfall 16/10/2017  Councillor Craig Cheney 16/10/2017 

Appendix A – Further essential background / detail on the proposal	<b>YES</b>
Appendix B – Details of consultation carried out - internal and external	<b>YES</b>
Appendix C – Summary of any engagement with scrutiny	<b>YES</b>
Appendix D – Risk assessment	<b>NO</b>
Appendix E – Equalities screening / impact assessment of proposal	<b>NO</b>
Appendix F – Eco-impact screening/ impact assessment of proposal	<b>YES</b>

