

Executive Report

Ward(s) affected: All.

Report of Director of Community Wellbeing

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Date: 24 August 2023

Vehicle Replacement Programme for 2024/25

1. Executive Summary

This report sets out the anticipated vehicle replacements for 2024/25.

2. Recommendation to Executive

That the Executive resolves to:

1. Approve the programme of replacement vehicles for 2024/25 and approve the moving of £2.15m from the provisional capital programme to the approved capital programme; and
2. Delegate authority to the Executive Head of Environmental Services to carry out a compliant procurement process, award the contracts to the successful tenderers, and, in consultation with the Executive Head of Legal & Democratic Services and the Lead Councillor, enter into relevant contracts (it is anticipated there will be at least two contracts but will be dependent if the vehicles come from the same provider).

3. Reason(s) for Recommendation:

To allow for the replacement of the waste and garden waste vehicles in 2024.

Is the report (or part of it) exempt from publication? No

4. Purpose of Report

To set out the vehicle replacements for the 2023/24 year and to bring forward £2.15 million from the provisional capital programme to the approved capital programme to enable the purchase of vehicles in line with the decision of the Executive.

5. Strategic Priorities

The purchase of vehicles is to support core operational delivery of services, including on waste, parking, street cleaning and grounds maintenance. Having a modern, reliable and well-maintained fleet is critical to high quality service delivery. In support of the key strategic priority of Protecting the Environment, our approach to vehicle drive trains is an Electric Vehicle first approach unless the electric approach is not viable either financially or operationally.

6. Background

6.1 The following 11 vehicles are recommended for replacement in 2024/25

Service Unit	Vehicle / Equipment (replacement)
Waste	Replace one 2013 - 7.5 tonne Garden Waste vehicle
Waste	Replace four 2016 – 26t garden waste vehicles
Waste	Replace one 2014 – 18t domestic collection vehicle
Waste	Replace three 2013 – 26t domestic waste vehicle
Waste	Replace two 2013 – 7.5 tonne domestic waste collection vehicles

- 6.2 These vehicles are like for like replacement and are of an age and use where they are presenting increasing reliability issues which in turn affects service quality and cost and are in need of replacement at the earliest opportunity in 2024.
- 6.3 We have actively reviewed the remainder of the fleet nearing their planned replacement cycle in the light of the council's challenging financial position. These are mainly light vehicle and in general these are in good condition and a reasonable age profile and as such we would recommend extended operational life. Therefore, we are not currently recommending replacements other than refuse vehicles for the 2024/25 year.
- 6.4 We estimate that the price of these replacements will be around £2.15m subject to tender.
- 6.5 We have actively considered alternative propulsion, such as Electric Vehicles (EV). However, EV dustcarts are still an emerging technology which does lead to service and cost risks and we do not have the infrastructure to support an EV fleet without significant investment in a depot that is planned to be closed within a year of these vehicles arriving. Finally, the capital cost of these vehicles is approximately twice that of standard vehicles, making them approximately £160,000 per vehicle more expensive on an 8 year life than the equivalent diesel vehicle, after taking into account potential operating savings. Hydrogen fuel cell technology is being increasingly used within buses but is further behind EV for other uses such as dustcarts and may be an option to consider in the future.

7. Key Risks

The waste services are predominantly statutory (domestic refuse and recycling) with the remainder (commercial waste and garden waste) being contractual. We actively seek to maximise the life of the fleet. However, as vehicles age, those with heavier use, such as garden waste vehicles, become less dependable and cost more to keep on the road. Whilst the repair costs are a consideration, the main focus of the service is ensuring service delivery. A modern and

well maintained fleet is critical to reliable and consistent service provision. Delays to replacing the vehicles identified here risk significant service disruption.

8. Financial Implications

The estimated cost of procuring the identified waste vehicles is £2.15m. This is within the council's planned capital expenditure. This level of capital investment will result in a revenue impact of around £150,000 per annum based on current interest rates which is covered within the existing capital financing budget.

9. Legal Implications

The Executive Head of Environmental Services will ensure, in consultation with the Council's procurement manager, that a compliant procurement exercise is undertaken, that is lawful and in accordance with the Council's Procurement Procedure Rules.

The Executive Head of Environmental Services will assess the results of the procurement exercise(s) and make an officer decision, subject to the delegation being approved by the Executive, to award the contract to the successful tenderer, in consultation with the Council's in-house legal team and the Lead Councillor.

10. Human Resource Implications

No HR implications have been identified.

11. Equality and Diversity Implications

This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report.

12. Climate Change/Sustainability Implications

- 12.1 The recommendation is for like-for-like replacements so the decision will be neutral in terms of carbon emissions. We do expect to move depots in 2025 and infrastructure to support EV is being

built into the design of the new depot. This will enable us to review future refuse collection vehicle propulsion as EV technology continues to improve and become more affordable. It should be noted that although these vehicles, once purchased, will have a potential life beyond 2030, we could consider a shorter life if the technology improves, and the climate and business case support an earlier replacement of these vehicles.

- 12.2 We had considered the amount of carbon that could potentially be reduced by adopting alternative propulsion. Early indications based on the use of 12,000 litres of diesel per year and using an estimate of reduced carbon of around 2.7 kilos per litre gives a potential reduction in carbon of around 32 tons per year per 26t dustcart once we are in a position to move to alternative propulsion.
- 12.3 It should be noted that we would normally expect a life for refuse vehicles of 7-8 years. However, there is always flexibility to either extend their life subject to the condition of the vehicles or shorten their life should wider circumstances such as changes in legislation resulting in service change or opportunities. For example, the relative cost of alternative fuel vehicles means that changing earlier would result in net cost reductions.

13. Summary of Options

Alternative options would be to further delay replacement or further investigate viable alternative propulsion, such as EV or hydrogen, however this will result in delays and increased service reliability risks.

14. Conclusion

- 14.1 We have identified 11 refuse collection vehicles that need replacing to ensure these services remain reliable and high quality. We have actively reviewed other vehicles entering their end of life and confirmed that we can extend a number of vehicles with minimal service risk and delay demand on the council's capital resources.

14.2 We are recommending a like-for-like replacement, with a view to introducing more EV or other zero carbon propulsion vehicles as technology improves and our infrastructure, in a new depot, is better suited to support a change in propulsion.

15. Background Papers

None.

16. Appendices

None.