East Lothian Council

REPORT TO: Cabinet

MEETING DATE: 17 January 2023

BY: Executive Director for Place

SUBJECT: Sustainable Fleet Management Strategy

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1 PURPOSE

1.1 The report seeks approval of East Lothian Council's Sustainable Fleet Management Strategy 2022-2027.

1.2 Underpinning this strategy is the requirement for a sustainable (legally, financially, and environmentally) Fleet Asset Replacement Programme. Consideration will need to be given to financing options for the replacement of core vehicles, plant and equipment as they come to the end of their economic life over the next 5 year period, with reference to the current pressures on revenue and capital budgets.

1.3 If approved, this will form the basis of an ambitious council wide Fleet Management De-Carbonising Strategy and Replacement Programme for the next 5 years, 2022 – 2027, that proposes to balance investment in the necessary alternative fuel technology to support a significant increase of Ultra Low Emissions Vehicles (ULEV) purchased and operated by the council. This also supports the council's climate change strategy.

2 RECOMMENDATIONS

2.1 The developed Sustainable Fleet Management Strategy provides a pathway approach that will help to ensure ELC Council has safe, reliable, cost effective and sustainable vehicles, plant and associated equipment, at the right time and at the right cost to support the strategic, corporate and service objectives of the Council and to support service delivery.

2.2 Cabinet is asked to approve East Lothian Council's Sustainable Fleet Management Strategy 2022-2027.

3 BACKGROUND

3.1 Internal Audit carried out a Fleet Audit report in Feb 21; part of the recommendations proposed required a Fleet Strategy document to be created.

3.2 The Government objectives towards alternative fuel solutions and zero tail pipe emissions require the council to adopt and transform the fleet to meet these key milestone dates up to 2035 where all vehicles produced must have zero tail pipe emission status.

3.3 The Council approved a climate change strategy in January 2020, for which fleet carbon reduction are part of the action plan towards a “Net Zero Council”

4 POLICY IMPLICATIONS

4.1 None.

5 INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

6.1 **Financial** – The budget for vehicle replacement sits within the council’s wider capital programme. However it should be noted that this is based on estimated replacement costs and this sector along with others, faces significant challenges from inflationary increases in vehicle acquisition prices and delays in procurement/delivery from supply chains. Wider pressure on the council’s capital programme arises from rising interest costs which are having a significant impact on revenue budgets, prompting the need for a fundamental review of the scope of the capital programme. Implementation of this strategy will therefore need to take account of these factors and funding decisions will need to be taken with reference to affordability constraints and available resources. In line with the principles of the financial strategy, investment which will deliver ongoing cost savings will be prioritised.

6.2 **Personnel** – None

6.3 **Legal** - ELC is required to adhere with Transport legislation which is intrinsically connected to providing a safe and compliant fleet:

- The Road Traffic Act 1998 Section 74
- The Goods Vehicle Licence of Operators 1995
- Traffic Act 1968

Proactive investment in the Fleet Replacement Programme reduces the risk of failure to comply with the requirements of the Operator’s Licence and associated legislation.

6.4 **Sustainability** - The purchase of new vehicles has an environmental impact in terms of the use of materials used to make the vehicles and embodied emissions from the manufacturing process. However, the replacement of aged Euro 4 and 5 diesel assets with electric, hybrid (where no practical alternative exists) Euro 6 diesel will result in a significant reduction in the emissions of all types of pollutants from the Councils' fleet, which will contribute positively to improving air quality across the county.

7 BACKGROUND PAPERS

7.1 None.

Appendix - Sustainable Fleet Management Strategy

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DATE	06/01/2022

East Lothian Council

Sustainable Fleet Management Strategy

Transport Services
Revision 1 – August 2022

Introduction

East Lothian Council declared a climate emergency in August 2019 following the Scottish Governments declaration in April 2019. Transport Services support this commitment with its first sustainable fleet strategy designed to complement a range of existing strategies and policies in order to meet the climate challenges. Its aim is to ensure services have compliant assets in the right place at the right time and that offer value for money. Very importantly through the adoption of a measured evidenced based approach Transport Services will make ambitious strides to support the Council's commitment to become carbon neutral by 2035.

In addition to East Lothian Council's planned capital investment Transport Scotland are providing ongoing support for ELC with ULEV vehicle replacement and infrastructure funding. The Energy Saving Trust have completed the evaluation of the current carbon fleet status, with recommendations in the Fleet decarbonisation report 23rd March 2021 being taken into consideration for this Fleet Strategy.

The high-profile brand of East Lothian Council vehicles amongst our communities has implications for the Council's reputation. A well maintained and efficient fleet contributes to public confidence in the Council. All vehicles and equipment must be fit for purpose and be managed effectively to support our services and ensure the health and safety of staff, customers and the wider community.

This strategy supports the Councils overarching vision to create an even more prosperous, safe and sustainable East Lothian with a dynamic and thriving economy, that enables our people and communities to flourish.

This strategy also provides the framework for the procurement, management and maintenance of all the vehicles, plant and mechanical equipment operated and required by the Council. It also helps the Council to deliver its services and meet its regulatory obligations as a Department of Transport Operator Licence holder.

Its success will be dependent on securing long term financial commitment and the support and co-operation of all employees to ensure our asset portfolio is always operated efficiently, responsibly, and sustainably.

Content

Vision and Objectives

Effective management of fleet related assets is critical to the delivery and performance of Council services. This Sustainable Fleet Management Strategy sets out and controls the management of Council fleet related assets.

> ***Our vision is to provide effective fleet procurement, management, and a workshop maintenance service, with a commitment to significantly reducing our reliance on fossil fuels and to make our assets environmentally sustainable within the UK and Scottish government's timeline of key deliverables.***

The objectives of the Sustainable Fleet Management Strategy are:

1. Assets fit for purpose - All vehicles/plant and equipment will be 'fit for purpose' in terms of condition and suitability for the intended use.

2. Safety - The vehicle/plant or equipment must secure the minimum health and safety risk to our staff and members of the public.

3. Assets used effectively – Assets will be treated as a corporate resource, and the need to own/maintain the vehicles/equipment will be regularly challenged with users and the performance of assets will be monitored and reported with the aim of eliminating unnecessary expenditure.

4. Sustainability - Assets, which run efficiently, maximise value for money, are environmentally and energy efficient contributing directly to delivering reductions in carbon emissions inclusive of the environmental life cycle of the vehicle and component parts (including fuel).

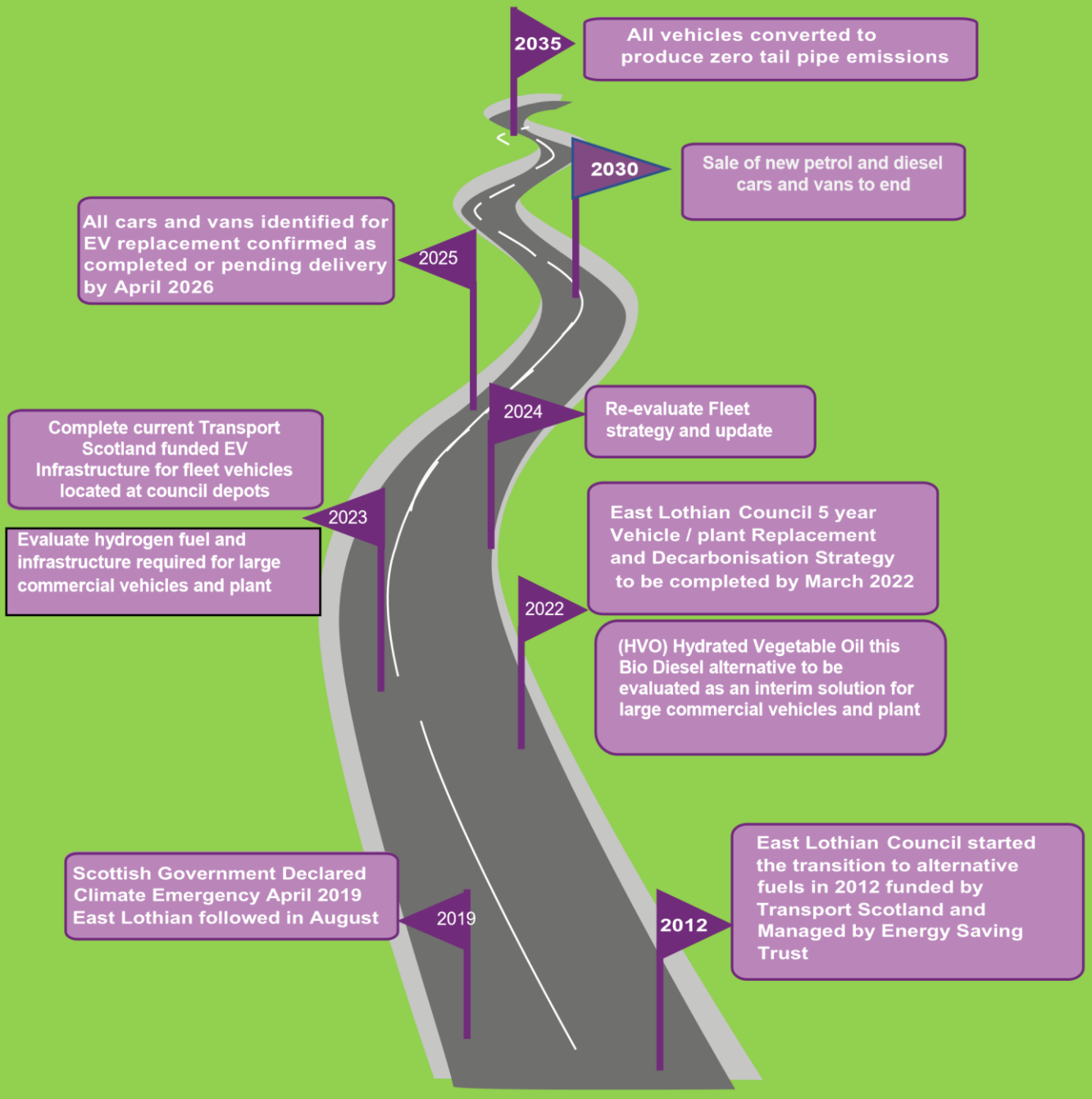
5. A vehicle and plant replacement programme that identifies vehicles that have to be replaced with zero carbon alternatives to achieve the UK and Scottish governments zero carbon time line road map.

6. Centralised financial management - All asset expenditure will be managed by Transport Services via an agreed sustainable replacement/maintenance plan, appropriately funded from dedicated service revenue budget allocations. Transport Services will work with services when additional / high cost assets are required that are outside of the approved replacement/maintenance plan to determine if the need can be met through existing wider fleet assets or confirm the need for service units to identify funds to cover such items.

ELC Fleet Strategy Key Milestones

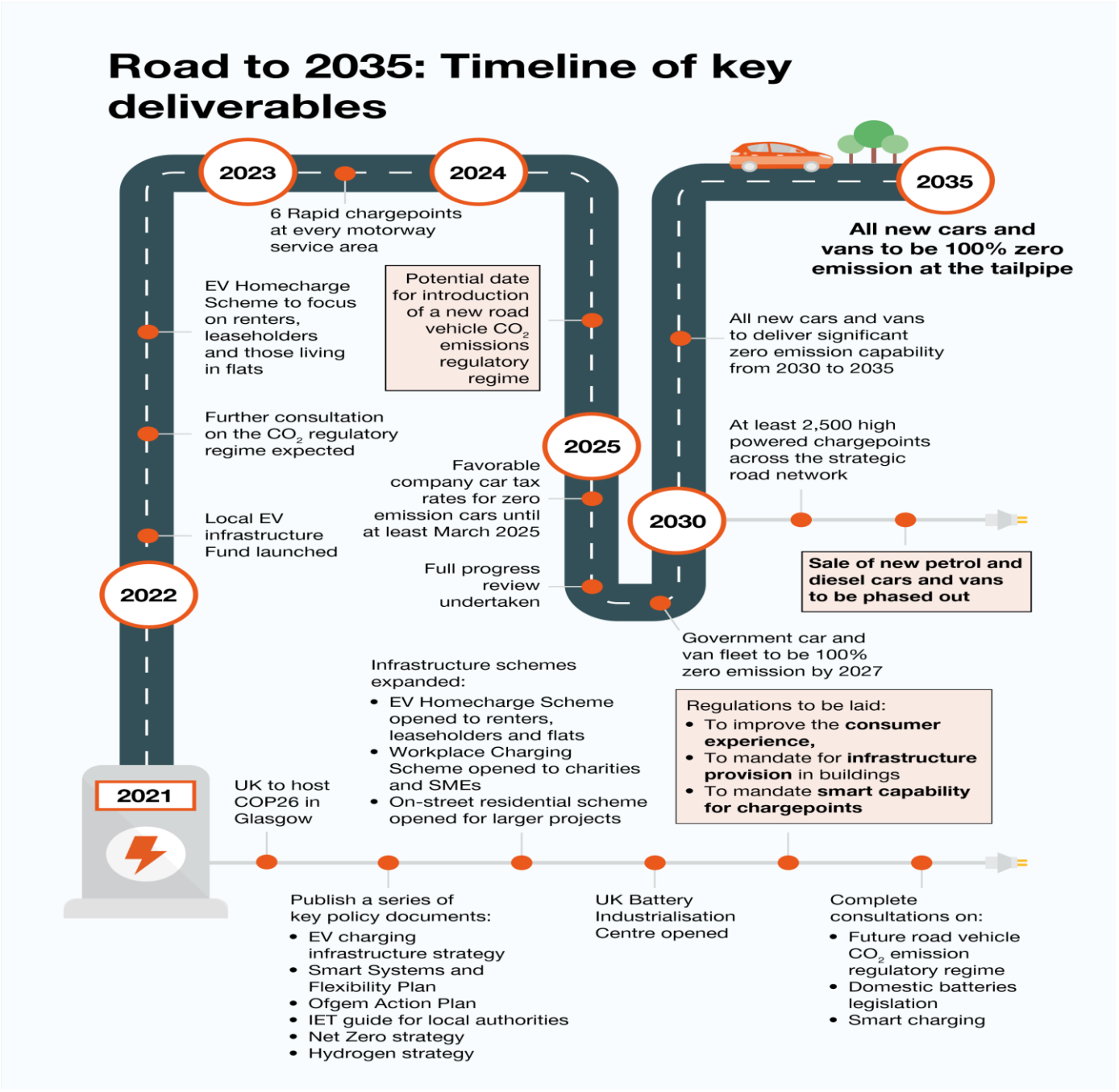
Pathway to Achieve Zero Tailpipe Emissions

East Lothian Council have committed to the climate emergency and phasing out of petrol / diesel cars and small vans by 2025 in line with Scottish Governments commitments and zero tail pipe emissions by 2035



- Target dates maybe affected by manufacturers ability to deliver due to product shortages or limited production capacity.
- Financial pressure may also limit zero carbon replacement numbers due to increased product and build costs running at 40% higher than current models

UK Government Road Map



Transport Services Profile

The current assets as of August 2022 comprise of 320 vehicles.

This is made up of a diverse range of vehicles from cars, small vans, pick-up tippers, minibuses, street lighting towers, large goods vehicles tippers, refuse collection, gritting and road construction vehicles.
These assets are critical for delivering statutory frontline and income generating services which include

- Collection of waste and cleansing services including commercial
- Maintenance of roads, cycle-ways/footpaths and winter operations
- Passenger transport provision
- Maintenance of open spaces including beaches
- Maintenance of public buildings and the Council's housing stock.

In addition, there are a further 113 items of plant and equipment necessary to deliver our core services.

Corporate Fleet Assets Roles and Responsibilities Transport Services

Overarching responsibility for the compliance of all requirements associated with the Council's Vehicle Operators Licence and for the delivery of strategic fleet procurement, maintenance, and management.

Transport Services will provide advice and guidance for all departments within the Council on all aspects related to vehicle, plant and equipment assets operations, including provision of driver training where required.

Directorates/Service Units

Timely identification and clear communication of requirements to deliver services including the pursuit of alternative environmentally suitable modes of travel. Production of evidence based business cases including financial commitment to seek amendments to fleet portfolio. Managing staff to ensure they comply with ELC policies and procedures, Transport and Road Traffic laws. Suitably manage drivers to ensure adherence to regulations and that there is no damage to the assets in their control and that the safety of themselves and others is not compromised in any way.

Drivers/Operators

Compliance with all elements of ELC driving at work policies, Transport and Road Traffic laws. Use the assets in accordance with operating instructions and return them in good condition. Provide feedback via their service unit on the suitability of vehicles currently in service and any demo vehicles they are asked to trial.

ELC will ensure vehicle usage by all user departments is reviewed periodically to maintain its integrity and effectiveness. The Driving at Work Policy clearly sets out standards of driving conduct for staff to ensure their own and others safety. The Drivers Handbook provided to all

permit holding drivers within ELC includes guidance on the aspects of drivers' hours, driver licences, and fitness to drive, vehicle use and accident reporting. Council vehicles include Council owned, leased or hired vehicles.

Procurement

Provide specialist advice and support to Transport Services assisting with the procurement process ensuring compliance with Council and public procurement regulations. **Finance**

Work with Transport Services and service units to produce, maintain and monitor a sustainable financial plan to support the strategy to ensure approved budgets are not exceeded. Provide appropriate financial analysis on business cases, work with Transport Services and service units to identify appropriate funding for additional assets outside of the approved plan and challenge to ensure maximum efficiency and sustainability.

Key Functions of the Transport Services Team

Act as holder of Operator's Licence ('O' Licence) on behalf of the Council maintaining safe and compliant assets.

Our operations are highly regulated and must adhere to the 'O' Licence terms and conditions, European Directives, health and safety legislation, Driver & Vehicle Standards Agency (DVSA) and Driver & Vehicle Licencing Agency (DVLA) rules and regulations as well as Council policies and guidelines covering vehicles and driver usage. Running a modern fleet is a safety critical operation that must ensure employee and public safety. This is achieved through best practice in vehicle inspection, maintenance, operation and procurement.

The general requirements of the 'O' Licence cover:

- Laws relating to driving and vehicle operation are observed
- Vehicle maintenance arrangements
- Drivers' hours and records management
- Vehicle overloading
- Maintaining our operating centres
- Provision of sufficient financial resource • Professional competence
- Good repute.

Maintenance of in-house fleet and plant assets via in house workshops and external providers that support the enabling of front-line services to deliver their service requirements

Our workshops and support team employ 10 full time employees (FTEs) and 2 Modern Apprentice Mechanics. The service operates across the East Lothian region.
Accident damage repairs will be arranged in liaison with the Council's insurers. External vehicle body shop repair facilities will be used for accident damage repair and the work inspected by Transport Services for compliance with standards.

Warranty repairs will be undertaken both internally and externally wherever most effective in the circumstances to minimise downtime.

The frequency of servicing can vary depending on the type of vehicle, this is governed by the terms of the Council's Operators Licence, manufacturers' recommendation and safety related compliance in general terms the frequencies are:

- Annual service for all types
- Annual MOT for all Large Goods Vehicles (LGV) and small vehicles + three years
- Eight weekly inspections / for O licence (LGV & Public Service Vehicles PSV)
- Six monthly inspections for light commercials
- Yearly services for small plant

Professional advice to users on vehicle specification and operation

We will work in partnership with service users to identify suitable replacement types, combining the expert knowledge and experience of service users to that of the fleet team's technical staff to ensure we secure the right product correctly specified to meet current and anticipated future needs. Transport Services will arrange and manage suitable vehicle and technology demonstrators that will enable services to sample the current market, providing access to the latest technical advances in vehicles and fleet management technology.

We will ensure vehicles are supplied with training, certification, support packages and warranties to ensure operators utilise vehicles and equipment safely, and managers are equipped to maximise any potential efficiencies and savings, through the use of auxiliary systems, such as equipment telemetry and CCTV.

Manage vehicle procurement and branding for service users

Procurement of approved replacement vehicles will be subject to Council procurement rules/financial regulations and Scotland's public sector procurement regulations.

There are several framework agreements available providing the service with a range of potential suppliers and options. The options for procurement will be regularly reviewed with Procurement and Finance to ensure the most appropriate and cost-effective methods are used.

The evaluation and award criteria of the most appropriate vehicles/plant or equipment to select will include purchase costs, whole life running costs, spare parts, warranty provision and environmental credentials including full life cycle.

Storage and supply of fuel

Fuel is supplied from bunkered sites and fuel card provision. The procurement and distribution of this fuel is managed by Transport Services.

Fuel management is key to monitoring vehicle use and detailed reporting is required to report on and manage CO2 emissions. Work is underway to consolidate fuel system telemetry and establish a direct link into Fleets fuel management system which will provide detailed reporting on fuel use by type, class and service area.

Combined fuel use for the Council's vehicle fleet excluding small plant equipment pre pandemic 2018-19 was at 1.15 million litres which equates to approximately 2848 tonnes of CO2 based on a diesel blend of 7%.

Fuel consumption for 2020-21 has reduced to 718,800 Litres which equates to 1775 tonnes of CO2 due to the COVID 19 pandemic restrictions on non-essential service delivery.

Provision of a corporate vehicle hire facility

All hired vehicles are arranged centrally by Transport Services, including commercial vehicles, to ensure compliance with insurance and Operators Licence requirements. All large commercial vehicles over 3500kgs have a safety inspection prior to service unit operation.

Provision of core driver/operator training

Our driver / operator training is undertaken by our in-house training team. This training has been developed to fulfil our health and safety responsibilities, statutory duty and to provide staff with the skills they need to undertake their roles.

We are a Joint Approvals Unit for Periodic Training (JAUPT) accredited training centre this enables us to deliver Driver Certificate of Professional Competence training straight to our teams and in a way that ensures as little disruption to services as possible. Where services require additional support approved training providers are utilised to deliver this training also.

Disposal

Prior to disposal of vehicles at the end of their useful lives with the Council, we will remove Council equipment and livery. Once de-commissioned, vehicles will be sold at auction using approved providers.

Proceeds from any sales of vehicles will be credited to the centrally held Capital Receipts fund. Vehicles which are deemed to be beyond any use and have reached the end of life will be disposed of through Authorised Treatment Facilities.

Fleet Asset Replacement and Management Process

We must invest in such assets to enable the delivery of our core functions and responsibilities. For additional new vehicles or vehicle modifications/enhancements service units must provide an approved business case clearly demonstrating the necessary ongoing funding is in place or which other parts of their fleet profile are to be reduced to accommodate any increased funding costs.

The financial investment required to support such a large and diverse asset replacement programme must not be underestimated and poses a very real challenge, with only minimal capital allocations secured significant additional funding is necessary to keep services operational. With demands exceeding available financial resources the need for a robust replacement plan is essential to prioritise replacements based on necessity.

The asset register/fleet management system will identify assets coming to end of operating life and/or when an asset is coming to the end of its funding arrangement or when cost of replacement has risen. Transport Services will engage with service units to determine if there is an ongoing future need and if so, explore marketplace advances to inform replacement options including Ultra Low Emission Vehicles (ULEV).

Replacement factor considerations:

- Condition of vehicle
- Mileage of vehicle
- Age of vehicle
- Service unit's requirement needs
- Whole life costs incurred to date
- Projected future maintenance costs if retention a consideration
- Existing fuel type and carbon impact
- Alternative marketplace fuelling options available and viability
- Carbon footprint of repair versus new.

Replacement Financing Strategy and Operating Budget

The Council has limited options to finance the procurement of vehicles and plant. These are limited to the following:-

- Funding from prudential borrowing. This has the benefit of spreading the financial impact of fleet acquisition over the useful life of the asset and ensures the financial sustainability of the fleet. This is because recurring central revenue budgets are established for borrowing repayments. The Prudential Code for Capital Finance stipulates that a council can undertake prudential borrowing: (from which future vehicle replacements are funded when vehicle lives expire).
- Leasing of assets through procurement process. May require multiple providers to match the existing fleet specification and limit the adapted or specialised vehicle options currently on fleet. Costs are fixed with the option of maintenance provided by third party – or partnership agreement for in house workshop maintenance. Non contractual works would be chargeable by the provider and end of lease conditions are evaluated with financial risk of recharge costs for damage or non-fair wear and tear repairs.
- Long term hire – very similar to leasing, however only set vehicle specification to hire in. Fixed monthly or annual costs through framework providers. Maintenance normally through external provider, however some opportunities to partner and use in-house workshop maintenance. Only agree rates and times would be supported by hire provider for maintenance and require authorisation prior to commencing repair.

The funding required to operate and maintain the approved fleet will be through an approved revenue budget allocation held by each service area with support from Finance and will take

account of the known requirements. Any additional/exceptional requirements will need to be funded from other sources and will be agreed with services prior to any purchases/works taking place. Increasing costs affecting many assets e.g. fuel prices will be dealt with through the Council's annual budget setting process.

Capital / Revenue Pressure

Transport Scotland have provided significant funding for EV's to replace existing petrol/diesel equivalent and install EV charging infrastructure. The annual funding is variable and has not been guaranteed beyond 2022. These vehicles have been leased with no impact to departmental operational revenue budget or capital spend other than ongoing maintenance.

Transport Scotland Funding 2016 – 22

Annual Funding	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
EV Vehicles Lease or Purchase	£34,695	£27,597	£192,573	£167,225	£110,626	£0
EV charging Infrastructure	£0	£0	£0	£0	£60,000	£90,000

These vehicles will impact on the capital and revenue budgets when replacements are due at end of life or lease. Ongoing petrol/diesel replacements with zero carbon will cost more partly offset by significant operating savings.

Future budgets will need to take account of additional fleet requirements as service delivery pressure increases with additional housing and the inevitable increased demand for services.

Decarbonising Our Vehicle Fleet 2022 – 2027

August 2019 saw the Council declare a Climate Emergency making a formal commitment to doing all it can to achieve the target of becoming carbon neutral by 2035.

The way in which Council vehicles are operated and renewed is seen as a vital part of our response to the climate emergency and the expectation is that the Council becomes a leader in the fight to reduce carbon emissions. The UK Government's "Transition to zero emission cars and vans 2035 delivery plan" presents us all with a challenge to drastically reduce our carbon emissions by 2030. Scottish Government expects all public bodies to phase out petrol/diesel cars and light vans by 2025. For our fleet management, that means taking a 6-step approach to sustainability:

- Collecting accurate data around vehicle use through the utilisation of telematics software
  • Managing increased demand
- Planned phasing out of all petrol/diesel car and van replacement under 3tonne GVW to (ULEVs) by 2025

- Continue investing in Ultra Low Emission Vehicles (ULEVs), review alternatives for vehicles above 3tonne and infrastructure required that's already proven in the marketplace, evaluate hydrogen as alternative for large diesel goods vehicles and plant.
- Expansion of EV infrastructure for ELC fleet and identify solution home to work EV vehicle charging.
- Identify developing technological options to decarbonise all vehicles above 3 tonne including large plant. To ensure a financially sustainable carbon neutral alternative to achieve the transition by 2035.

Our initial 5 year strategy sets out an exciting beginning of our pathway towards greening our fleet of vehicles to minimise the environmental and health impacts they cause, without compromising on the quality and efficient services we deliver daily to our residents.

Green vehicle technology is developing rapidly all the time and the purpose of this strategy is not to second guess what future technology will emerge within the marketplace. At the heart of this strategy is a bold aim to significantly reduce our current carbon emissions and transition as many of our vehicles to be a ULEV fleet over the forthcoming 5 years where these are marketplace available and proven effective, as well as promoting healthier forms of travel such as walking and cycling.

Marketplace overview

Industry acknowledges that the ULEV marketplace is yet to mature particularly in terms of the large goods vehicle fleet with some types of vehicles not widely available. Whilst over the past year development of the larger type of vehicle has expanded onto the market, these new market entrants' longevity and fitness for purpose remains in part unproven, however rapid progress is now being made

As part of the Government's Transition to zero emission cars and vans, and following extensive consultation with car manufacturers and sellers, the Prime Minister has confirmed that the UK will end the sale of new petrol and diesel cars and vans by 2030, ten years earlier than planned. However, it will allow the sale of hybrid cars and vans that can drive a significant distance with zero tailpipe emissions until 2035. Government is also committed to launch a consultation on the phase out of new diesel Heavy Goods Vehicles (HGVs) to put the UK in the vanguard of zero emission freight with a potential focus on hydrogen. No date has been set yet.

Challenging our approach

The Council's corporate vehicle fleet assets comprise of 320 vehicles excluding plant with currently only 13% of the overall fleet being ULEV.

Profile includes:

- 41 Cars of which 24 are EVs 58% of this group
- 68 small vans of which 15 are EVs 22% of this group
- 126 light goods vehicles none are zero emission
- 60 Heavy Goods Vehicles none are zero emission
- 25 Minibuses none are zero emission

- 113 Plant none are zero emission

Our vehicles are currently fuelled by Diesel or Petrol with an increasing number of cars and small vans being replaced with electric as standard. The vehicle fleet has been assessed as emitting 2311 tonnes of carbon on average over the last 2 years based on the (Scope 1) CO2 emissions.

As an organisation we have already undertaken numerous initiatives to develop more sustainable forms of fleet management including; adoption of fully electric small vans, implementation of grant funded fleet vehicle electric charge points, adoption of bio diesel fuel stocks, driver behaviour monitoring and training, the broader use of telematics and route optimisation software, adoption of electric waste collection vehicle bin lifts, as well as reducing overall fleet numbers through identification of duplicate resources or via service redesign.

The introduction of 39 electric cars and vans into the fleet since 2011 has saved on average 7.2 tonnes per vehicle now contributing to annual savings of 280 tonnes

We have secured grant funding from Transport Scotland for FY2021-22 to expand the Fleet charging infrastructure to provide 1 socket/outlet for every 5 “in scope” vehicles.

This has required an increase in the number of sockets/outlets from 29 (20 for ELC Fleet Only, 9 for ELC Fleet & Workplace (Staff/Visitor) use) by 30 to 59.

This is separate to our Public estate of over 100 charging devices (~200 socket/outlets).

Estimated infrastructure costs

Our considerable experience delivering Transport Scotland grant funded Fleet charging infrastructure gives us a good insight into the cost of installing further infrastructure.

A ratio of 1 socket/outlet for every 2 “in scope” vehicles is considered sufficient. This would require a further 21 sockets/outlets, bringing our total up to 80 sockets/outlets at a Capital cost in the region of £57k.

Pathway to Achieve a Zero Tailpipe Emissions Fleet

Our pathway details a series of steps to be fully considered before procurement is pursued.

a. Where possible, in the first instance the fleet will continue to be rationalised as transformation programmes develop, ensuring that vehicle utilisation is maximised whilst balancing a growing conurbation and the operational needs of service units.

b. When a vehicle is due to be replaced, it will be replaced with an ultra-low emission vehicle (ULEV) as the vehicle of preference e.g. small van fleet. Essentially, and with consideration to existing Council infrastructure and current availability, these are likely to be full electric vehicles or a petrol hybrid configuration at the present time.

c. Infrastructure to date has been grant funded and requires mainstream budget consideration in conjunction with vehicle and plant replacement. Insufficient

infrastructure or poorly located will impact on service delivery and optimum vehicle and plant utilisation.

Ultra-Low Emission Vehicle Procurement Programme

Whilst ambitious, this strategy takes a measured approach in investing our limited funds in the rapidly evolving area of electric or other ultra-low emissions vehicle (ULEV) technology and recognises that the Council is not best placed to stay on the cutting edge of technology development.

Electric vehicle infrastructure requirements are scalable, and our relatively small geography mitigates some of the concerns about electric vehicle range for being a suitable ULEV technology pathway for the Council to pursue at this time.

To realise this 5 year strategy including the replacing of 44 small car and diesel vans with ULEV to achieve the Scottish Governments target date of 2025 and significantly bolstering the 39 vehicles already forming part of the ULEV fleet and requires infrastructure to be in place to prior delivery of any additional vehicles

Investment in enabling infrastructure is key and will necessitate funding to upgrade existing substations required at depots where the current incoming main capacity limitations of 100kw may be require to achieve 500kw for a large capacity network, a standard EV charger is rated at 7.2 kw and larger chargers at 40kw / 50kw.
Investigation have shown that axillary sites can generally accommodate between 2 – 3 chargers without the need for infrastructure upgrades although each proposed location will need to be surveyed for confirmation.

How Electric Vehicles Stack Up – Investing in our Future

Electric vehicles are only one of several ULEV technologies within the transport marketplace but are one of the most advanced and readily available. Replacing existing petrol or diesel vehicles with electric vehicles (EVs) brings the environmental benefits of lowering carbon emissions and reducing local air pollution.

Small electric vehicles now achieve cost parity with conventional vehicles in the UK. Cost is no longer a barrier to purchase with councils achieving savings in vehicle running costs, with some research showing a typical electric vehicle saving its operator roughly £100 in fuel for every 1,000 miles driven, when compared to petrol or diesel.

Development continues throughout the motor industry with new market entrants emerging in increasing numbers now including the Large Goods Vehicle market.

Pilot Employee Home Charging Scheme

To enable the future adoption of more electric vehicles across the Council fleet and provide solutions to current Council owned site charging limitations, a home charging scheme pilot could be considered. Employees who have off-road parking at their home and require a Council vehicle to fulfil their employment will be sought to volunteer for the pilot. The Council will fit the charge units and pay a reimbursement to the employee aligned to the electricity rate to charge the vehicle. If the employee leaves the authority, the Council will remove the unit.

The pilot if implemented and successful will be used to inform the development of the Council's policy and processes, with appropriate consideration of the legal, financial, environmental, and safety related factors such as on charge point payment mechanisms, paving the way for a wider rollout.

Home charging if proved successful could enable the Council to increase its electric vehicle fleet by up to a further 116 home-based vehicles.

Hydrotreated Vegetable Oil (alternative fuel for diesel vehicles and plant)

The future remains uncertain, in that technology is developing all the time and the purpose of the fleet strategy is not to second guess the future technology; switching to renewable, paraffinic fuels offers a potential solution. It will also support a circular economy, as the HVO fuel is produced from sustainable feedstock, including waste cooking oil.

Our aim is for our vehicles to be ultra-low emission vehicles (ULEVs) by 2030. Ideally this will be achieved by using electric or hydrogen or other emerging technologies which have zero tailpipe emissions. However, vehicle technology and local supporting infrastructure does not currently widely support this vision, particularly for heavy goods vehicles.

HVO requires no additional maintenance or changes to operational procedure as it is used as a direct replacement for conventional diesel. A trial was undertaken in July 2022 on 4 heavy goods vehicles with no operational or performance impacts and suitable as a direct replacement for diesel with no vehicle modification costs. Other authority test data indicates no real world change to vehicle emissions from the tailpipe with the carbon saving of up to 90% coming from the production process of the fuel. The fuel costs more per litre than mineral diesel so there is no whole life cost saving however, it represents a lower cost option for reducing net CO2 greenhouse emissions.

Carbon (CO2) emissions from the combined Councils' fleet of vehicles represents 1,779 tonnes annually. HVO is a paraffinic fuel that is chemically similar to conventional fossil fuel diesel and complies with European Standard EN1590 it can reduce greenhouse emissions by up to 90% depending on the blend.

The Council does not intend to switch to HVO at present as the cost of change is not viable under current market conditions, however as the market grows for HVO the production cost most likely will become comparable to diesel.

The Council uses approximately 505000lt of Diesel per annum from bunkered fuel supplies - the cost gap to transition to HVO is currently £126,250 per annum.

As of now, there is no definitive list of Scope 3 emissions (e.g. supply chain production emissions, construction)* that must be included in the Public Bodies Climate Change Duty Annual Reporting. However, moving forward Public Bodies should identify hotspots and prioritise actions reducing Scope 3 emissions through the procurement process. One such hotspot and prioritisation could be the fuel we use for the Council fleet. These requirements are very likely to become standard as tools for measuring Scope 3 emissions are improving.
*but as a bare minimum waste, water supply, water treatment and business travel should be included.
A procurement process can be specified as required to be an accredited fuel under the Scotland Excel framework provision when the transition may be required.

In the event of any disruption to supply of HVO the vehicles could revert to using fossil diesel so there is no risk to operational services.

Learning from others

Throughout our journey we will proactively work with local authorities, public and external organisations to continue to help shape our future direction, learning with and from others responding to this challenging global issue.

Working with Government Agencies

Continue to work with Transport Scotland to secure ongoing EV and infrastructure funding.

Seek assistance through the Energy Saving Trust, assisting with evaluation of alternative ultralow emission vehicles (ULEV), management of grant funding and the provision of carbon fleet reports to further inform the direction of the ELC fleet strategy.

Key Targets and Measures Regulatory Compliance:

- Operator Licence Compliance
- Ensure fleet strategy key milestones are achieved by set target dates
- Achieve DVSA Earned Recognition Accredited Operator by 2025

Environmental Measures:

- Report on number and percentage of alternative fuelled vehicles procured
- Report on emission impact by vehicle
- Overall reported reduction in reliance of fossil fuels.

Infrastructure Reviews:

- Undertake transformation depot accommodation review, fuelling infrastructure improvements to support pathway to sustainable fleet
- Deliver fleet replacement plan incorporating the sustainability, ethical & environment considerations decision impact assessment
- Develop Telematics management and operating agreement to maximise efficiency of use and environmental benefits
- Develop Driver User Policy in conjunction with Human Resources

- Develop Drugs & Alcohol Policy in conjunction with Human Resources

Staff Development:

- Reintroduction of workshop apprentices
- Upskilling workforce to support emerging fleet technology advances
- Council Driver Certificate of Professional Competence compliance.

This strategy will be reviewed annually by Officers to ensure it remains fit for purpose and update Key Milestones bi-annually.

East Lothian Council

Supporting Good Decisions

Promoting Equality & Human Rights, Reducing Inequality and Protecting the Environment

Integrated Impact Assessment Form

Title of Policy/ Proposal	Sustainable Fleet Management Strategy
Timescale for Implementation	5 year program
IIA Completion Date	02/12/2022
Completed by	Bruce Moffat
Lead officer	Bruce Moffat

Section 1: Screening

1.1 Briefly describe the policy/proposal/activity you are assessing.
Set out a clear understanding of the purpose of the policy/ proposal/ activity being developed or reviewed (e.g. objectives, aims) including the context within which it will operate.

The Sustainable Fleet Management Policy sets out a five to ten year plan on the decarbonisation for the council fleet. This requires the adoption of alternative fuelled vehicles and plant to meet the objectives set by UK and Scottish Government. Infrastructure development forms a key part of this and the requirement on manufacturers to produce vehicle/plant solutions to allow services to adapt and provide their front line services.

1.2 What will change as a result of this policy?
The policy presents a recommended route to full adoption of alternative fuels. Resulting in a "zero tailpipe emission" position by 2035. The environmental impact is a positive change, eliminating the pollutant tailpipe emissions produced by current fossil fuelled engine solutions at present. The policy feeds into the councils overarching climate change strategy.

1.3 Deciding if a full Impact Assessment is needed.

Please answer the following questions:

	Yes	**No**
1. The policy/ proposal has consequences for or affects people e.g. how they can access a service?		*
2. The policy/proposal has potential to make a significant impact on equality?		*

3. The policy/proposal is likely to have a significant environmental impact?	*	
4. The policy/ proposal has implications for the storage/ collection of personal data?		*

- If you have answered yes to questions 1 and 2 above, please proceed to complete the Integrated Impact Assessment. If you have answered No then an IIA does not need to be completed. Please keep a copy of the screening paperwork.

- If you have identified that your project will have a significant environmental impact, please proceed to complete the Integrated Impact Assessment. You will also need to consider whether you need to complete a Strategic Environmental Assessment. Please contact

- If you have answered yes to question 4, please seek further advice from the Data Protection Officer.

_____

Section 2: Integrated Impact Assessment

2.1 **Have those who are affected by the policy had the opportunity to comment on new proposals?**
There has not been any public consultation as the policy improves air quality and forms part of the national climate objectives set out by government.

2.2 **What information/data have you used to inform the development of the policy to date?**
Market research, manufacturer technical information and product development, independent assessment through Energy Saving Trust, Officer technical expertise. Legislation and statutory drivers.

2.3 **What does the evidence/ research suggest about the policy's actual or likely impact on equality groups and those vulnerable/ or experiencing socio-economic disadvantage?**

Evidence	Comment
Which groups are in in particular need of this service?	The policy change only brings a positive impact through reduction or elimination of tailpipe emissions
What level of service uptake/ access is there from protected and vulnerable groups?	
Can you identify positive outcomes for service users	
What is the service user experience of those from protected or vulnerable groups?	
What opportunity have those from protected groups had to co-produce or comment on the service/ plans?	

2.4 **How does the policy <u>meet the different needs</u> of groups in the community?**

Equality Groups • Older people, people in the middle years • Children and young people children • Women, men and transgender people (includes issues relating to pregnancy and maternity) • Disabled people (includes physical disability, learning disability, sensory impairment, long-term medical conditions, mental health problems) • Minority ethnic people (includes Gypsy/Travellers, migrant workers) • Refugees and asylum seekers	Improving air quality for all groups

• People with different religions or beliefs (includes people with no religion or belief) • Lesbian, gay, bisexual and heterosexual people • People who are unmarried, married or in a civil partnership	
Those vulnerable to falling into poverty • Unemployed • People on benefits • Lone Parents • Care experienced children and young people • Carers (including young carers) • Homeless people • Those involved in the community justice system • People with low literacy/numeracy • Families with 3 or more children • Those with a child/ children under 1	No negative impact – improvement in air quality
Geographical communities • Rural/ semi-rural communities • Urban Communities • Coastal communities • Those living in the most deprived communities (bottom 20% SIMD areas)	Improvement in air quality
Communication Needs: • Gaelic Language Speakers • BSL users • English as a Second Language • Other e.g. Deaf Blind, Plain English, Large Print	No impact No impact No impact No impact

2.5 **Are there any other factors which will affect the way this policy impacts on the community or staff groups?**

No

2.6 **Is any part of this policy/ service to be carried out wholly or partly by contractors?**

If yes, how have you included equality and human rights considerations into the contract?
No

2.7 **Have you considered how you will communicate information about this policy or policy change to those affected e.g. to those with hearing loss, speech impairment or English as a second language?**
Alternative communication available on request

2.8 **Please consider how your policy will impact on each of the following?**

Equality and Human rights • Promotes / advances equality of opportunity e.g. improves access to and quality of services • Promotes good relations within and between people with protected characteristics and tackles harassment • Promotes participation, is inclusive and gives people control over decisions which affect them • Preserves dignity and self-respect of individuals (does not lead to degrading treatment or stigma) • Builds support networks, resilience, community capacity
Comments: no impact
Reduces Poverty • Maximises income and/or reduces income inequality • Helps young people into positive destinations • Aids those returning to and those progressing within the labour market • Improves employability skills, including literacy and numeracy • Reduces the costs of taking part in activities and opportunities • Reduces the cost of living
Comments : no impact

Protecting the Environment and Improving Sustainability: • Reduces the need to travel or increases access to sustainable forms of transport • Minimises waste / encourages resource efficiency / contributes to the circular economy • Ensures goods / services are from ethical, responsible and sustainable sources • Improves energy efficiency / uses low carbon energy sources • Protects and/or enhances natural environments / habitats / biodiversity • Promotes the transition to a low carbon economy • Prepares and/or adapts communities for climate change impacts
Comments: improves transport impact through green technology, transitions energy supply to sustainable platforms of delivery – solar, wind turbine, green hydrogen etc.

Section 3.Action Plan

What, if any changes will be made to the proposal/ policy as a result of the assessment?

Changes to be made	Expected outcome of the change	Resources Required	Timeline	Responsible person

For consideration of the Head of Service

Can you identify any cumulative impacts on equality groups or vulnerable people arising from this policy, when considered alongside other changes across other services?

Sign off by Head of Service

Name
Date