

Report to: Full Council

Date: 18 July 2022

Title: Waste and recycling services - fleet

Report of: Tim Whelan, Director of Service Delivery

Ward(s): All

Purpose of report: The purpose of this report is to seek Full Council approval for the cost of purchasing a second-hand fleet of LDC recycling vehicles in the current financial year, on the basis that the proposal agreed in principle at Cabinet on 9 June 2022 would incur expenditure outside the budget framework set for 2022/23.

Officer recommendation(s): **That Full Council approves the release of funding (£720,000) within this financial year, 2022/23, in support of the immediate operational priority:**

To make immediate purchase of second-hand recycling collection vehicles (RCVs), to replace six vehicles currently on hire, thus saving on significant hire costs that are presently being incurred.

Reasons for recommendations: Recommendations were approved by Cabinet for waste recycling and street cleansing vehicle procurement, with associated adaptations at the depot, to support ambitions to decarbonise the fleet by 2030. The recommendation to Full Council is set within the context of that wider strategic approach.

There is an immediate need to purchase second-hand vehicles for the recycling fleet, as this is a more cost-effective solution than continuing to hire them. This report seeks to ensure adequate financial provision is made in capital allocations for waste service vehicles for the period 2022/23.

Budgeting for expenditure in subsequent years (which comprise all of Cabinet's other recommendations) is deferred to future council meetings as appropriate, Budget Council 2023 and beyond.

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1 Introduction

- 1.1 The council fleet provides vehicles for functions such as refuse and recycling, garden waste, trade and clinical waste collections, street cleansing and bulky item collections. This report considers six recycling collection vehicles currently on hire, which officers propose to replace with second-hand vehicles.
- 1.2 The detail for future financial years, as approved by Cabinet, is presented in the background papers – at Appendix 1, to the June Cabinet report, 'Vehicle Replacement Strategy, April 2022' and the tables at Appendix 2 affording more information in respect of predicted capital costs and fuel/carbon savings. The aim of the vehicle replacement strategy is to achieve an ultra-low emission fleet by 2030.
- 1.3 Proposals approved at Cabinet were, in summary:
- A hybrid of diesel/renewable diesel for our RCV fleet (upgraded in order to remain in service for the interim) with electric vehicles (EVs) for food waste collections (April 2023) and street cleansing (2025/26) for the short to medium term.
 - As new technologies and alternative fuel options become economically viable, alongside the provision of a depot infrastructure that can support our fleet, the service will switch to ultra-low emission RCVs by 2030.
- 1.4 Policy and Performance Advisory Committee had an opportunity to review the Cabinet paper on 31 May 2022, as did the Scrutiny Emergency Climate Change Panel on 20 June 2022.
- 1.5 Lewes District Council's climate change and sustainability strategy seeks to ensure that the Council is net zero carbon and fully climate resilient by 2030. This informs the vehicle replacement pathway.

2 Proposal

- 2.1 With the approval of Full Council, there will be an immediate move to purchase second hand RCVs at a cost of circa £120k each to replace the vehicles currently on hire, necessitated by complete failure of 6 recycling vehicles that have reached end of life. Ideally this purchase will take place in July 2022 in order to save against current hire charges (around £6k a week). While this clearly has revenue budget implications for the current financial year, the real-time benefit relates to the vehicle replacement strategy covering budget years up to 2029/30.
- 2.2 The service requests approval for £720,000 for this procurement exercise.
- 2.3 This request is within the context of a phased approach to ultra-low emission at tailpipe RCVs, as outlined at 1.3 above. While new solutions are developing at a rapid pace, there are significant financial, environmental and risk-mitigating advantages in delaying decisions on new vehicle types (i.e. EV or hydrogen fuel cell) until the market stabilises.

3 Financial appraisal

- 3.1 The current Capital Investment Programme for the Council does not include a provision to replace six currently hired recycling vehicles with second-hand vehicles from summer 2022. An option appraisal has been undertaken for all of the proposed vehicle acquisitions that compared two acquisitions options.
- 3.2 The capital outlay might need to be funded through either diverting existing capital resources and/or borrowing from the PWLB, which is the cheapest option for all of the proposed vehicle acquisitions. The Council will be able to borrow at a lower interest rate than what might be offered by the leasing companies. The wider financial implications will need to be incorporated into the overall Council's revenue budget and capital programme to ensure that the long-term financial implications are monitored accordingly.

4 Legal implications

- 4.1 Any procurement undertaken following approval of officer recommendations in this report must comply with the Council's Contract Procedure Rules, including (where applicable) the Public Contract Regulations 2015.
- 4.2 Where the Cabinet proposes executive action that would incur expenditure in the current financial year but which was not provided for in that year's agreed Budget, the proposal must be referred to Full Council for approval.

Lawyer input date: 04.07.22

Legal ref: 011043-LDC-OD

5 Risk management implications

- 5.1 Headline risks include:
- The condition of the current fleet
 - Delays in the decision-making process:
 - delays in the above impacting on speed of executing tender process
 - delays in the above impacting on placing our orders
- 5.2 The vehicle replacement strategy is designed to mitigate these risks. Officers are engaging with industry and researching options to secure the best fit for LDC now and in the future.

6 Equality analysis

- 6.1 An Equality and Fairness screening was undertaken for the June Cabinet report in respect of the longer-term strategic approach to vehicle replacement. The recommendation in this report (to purchase second-hand RCVs) is set within the context of that wider strategy.

7 Environmental sustainability implications

- 7.1 There is a carbon benefit to re-using and upgrading the current fleet (including the purchase of second hand vehicles in the short term) to extend its life until the

Council is ready to purchase new ultra-low emission RCVs – noting that, based on the current data available, approximately 5-8% of an HGV's whole life carbon emissions can be attributed to production.

- 7.2 The ultimate goal of running ultra-low emission RCVs by 2029 will meet the Council's net zero 2030 target. The carbon trajectory of the Council's Waste Services (LDCWS) operations is set out in background papers at Appendices 1 and 2 (to the Cabinet report).

8 Appendices

- Appendix 1 - Referral from Cabinet on 9 June 2022

9 Background papers

- [Report to Cabinet 9 June 2022 and associated appendices](#)