Report To:	**ENVIRONMENT & COMMUNITIES SELECT COMMITTEE**
Date:	**4 MARCH 2025**
Heading:	**SUSTAINABLE FLEET MANAGEMENT STRATEGY & REPLACEMENT PLAN**
Executive Lead Member:	**CLLR HELEN SMITH, DEPUTY LEADER AND EXECUTIVE LEAD MEMBER FOR PARKS AND ENVIRONMENTAL SERVICES**
Ward/s:	**ALL**
Key Decision:	**YES**
Subject to Call-In:	**YES**

1.0 Purpose of Report

1.1 To consultation with the committee of the Council's Sustainable Fleet Management Strategy & Replacement Plan 2025/2034 prior to adoption by the Council.

Recommendation(s)

That the Committee:

1) Comment on the draft Ashfield Sustainable Fleet Management Strategy & Replacement Plan 2025 – 2034 prior to a 30-day external consultation.
2) Notes that the Fleet capital and revenue Vehicle Replacement Plan for 2025 – 2034, has already been approved as part of the Council's Capital Programme and is being implemented in line with the Strategy.

2.0 Reasons for Recommendation(s)

2.1 Following formal consultation, the approval of the Sustainable Fleet Management Strategy and Replacement Plan will support the Council to evolve its operational and

grey fleet, in line with the Council's commitment in creating a greener, cleaner environment, as set out in the Council's Climate Change Delivery Plan.

3.0 Alternative Options Considered

3.1 Not approving or adopting a clear Sustainable Fleet Management Strategy and replacement Plan, could result in the Council continuing to replace existing vehicles and equipment with assets that do not align with the Corporate Plan or the Council's net-zero aspirations. This would cause Ashfield District Council to not achieve Net Zero position within the Council's Corporate priorities, as set out in the Corporate Plan.

4.0 Detailed Information

Policy Drivers (National)

4.1 In November 2020, The UK Government published its Ten Point Plan for a Green Industrial Revolution. Within the Plan at Point 4, Government emphasised; Accelerating the shift to Zero Emission Vehicles and committed to banning sales of new petrol and diesel cars and vans by 2030. Government also went on and confirmed that the sale of hybrid cars and vans, which could drive a significant distance with no carbon coming out of the tailpipe, would be allowed until 2035. The Government reemphasised these commitments in its Net Zero Strategy: Build Back Greener in 2021.

4.2 These targets were amended in 2023 with the Government pushing back the end date for the sale of new petrol and diesel cars and vans to 2035. The Zero Emission Vehicle mandate sets the regulatory framework for these amended targets and uses a phased approach, whereby 80% of new cars and 70% of new vans sold in the UK are to be zero emissions by 2030.

4.3 Beyond cars and vans, the Net Zero Strategy: Build Back Greener (2021) also committed to take forward the pledge to end the sale of all new, non-zero emission road vehicles by 2040, from motorcycles to buses and Heavy Goods Vehicles (HGVs), subject to consultation.

4.4 The UK Government subsequently ran a consultation on the phasing out of new diesel HGVs from July to September 2021. The Government set out in its formal response to

this consultation in May 2022 that HGV phase out dates will be applied according to vehicle weight. A 2035 phase out date will apply to rigid vehicles with a gross weight less than or equal to 26 tonnes, and any articulated HGVs with a gross combination weight less than or equal to 26 tonnes. A 2040 phase out date will apply to articulated HGVs with a gross combination weight greater than twenty-six tonnes.

Local

4.5 The Ashfield District Council's Corporate Plan sets the vision for the Council to transition to Net Zero as part of the Council's role in creating a greener, cleaner environment and its effective response to climate change.

4.6 The Council provides a wide range of services to its residents and is one of the largest employers in the area. These services include Housing, Parks and Green Spaces, Waste and Environmental Services, Environmental Health, Planning and Economic Regeneration. Therefore, the Council is well placed to have a positive impact on climate change in the area through:

- Establishing and understanding current emissions (carbon baseline)
- Setting clear carbon reduction targets.
- Introducing key actions to reduce carbon emissions (Carbon Management Plan).
- Gathering and maintaining high quality emissions data and monitoring improvements.
- Supporting other organisations in decarbonisation of the district.

4.7 As part of the Council's Policy Framework, it is important to have a clear strategy for the management and replacement of its fleet of operational vehicles. The Council also needs to ensure that its existing grey fleet arrangements are effectively managed and can transitions to new alternative greener and cleaner ways of operating.

5.0 Our Green Fleet Vision & Objectives

5.1 The effective management of the Council's fleet related assets is critical to the delivery and performance of Council Services. The Council's vision is to provide an environmentally sustainable operational fleet which delivers safe, reliable services to our communities, and which is affordable to the Council.

5.2 To deliver this vision, the objectives of the Council's Sustainable Fleet Management Strategy are to ensure that the fleet is:

I. **Safe & Compliant -** All assets which make up our fleet will be maintained in a safe and legal condition prior to use, to minimise health and safety risks to our staff and members of the public, and to ensure that they are suitable for their intended use(s) to enable effective service delivery.

II. **Fit for Purpose, Offering Value for Money -** Assets will be treated as a corporate resource, and the fleet requirements within service delivery will be regularly reviewed. The performance of assets will be monitored and reported with the aim of eliminating unnecessary expenditure.

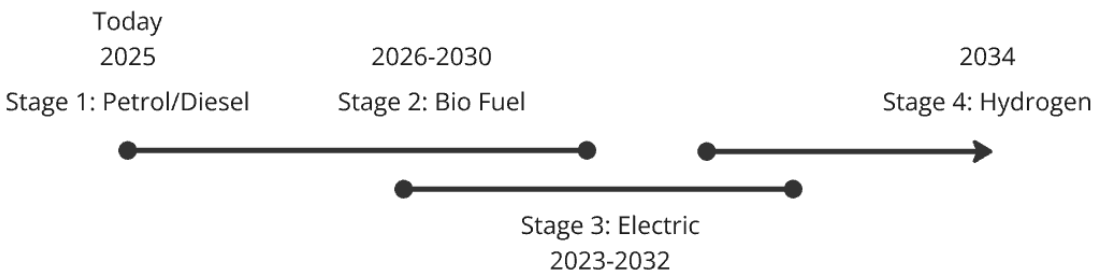
III. **Environmentally Friendly –** Over the period of the strategy, the Council will work towards transitioning its fleet assets to net zero by 2034, considering their life cycle and component parts (including fuel). Replacement assets or related initiatives will also be expected to contribute to improving local air quality by reducing other harmful emissions where possible.

IV. **Future Proof (Fossil Fuels / Hydrogen) -** The Council will over the period of the Strategy, undertake a vehicle replacement programme that supports the transition from existing fossil fuels to hydrogen.

Hydrogen is a leading contender to replace fossil fuels in the heavy-duty transport sector, as it has higher energy density than fully electric batteries, making it suitable for vehicles carrying weighty loads and travels long distances. Hydrogen also creates no emissions when consumed and is efficient and quiet.

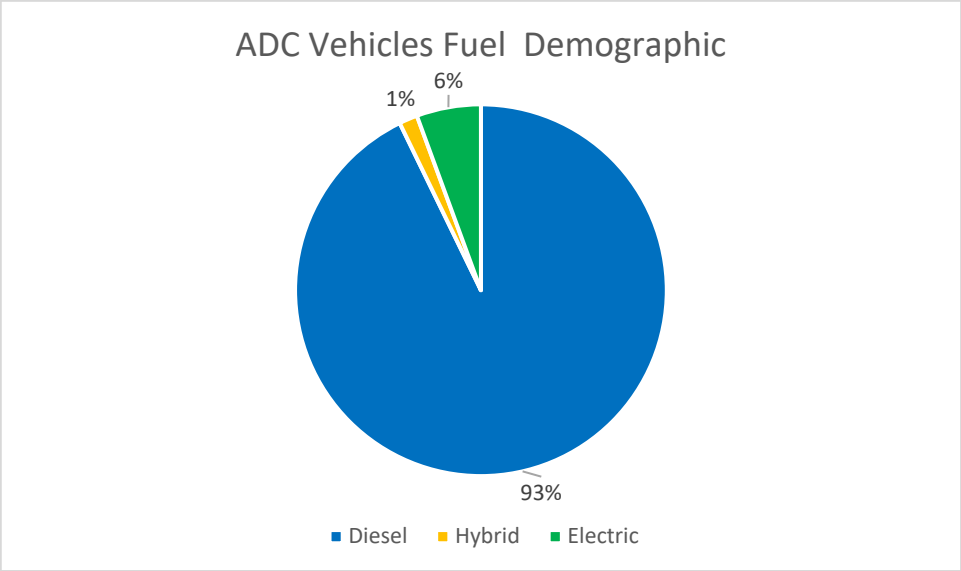
6.0 The Journey

6.1 The Council Journey to a sustainable green fleet is broken down into four stages as shown below. The staged approach allows for review bi-yearly to assess the infrastructure and availability of hydrogen fuel in the UK with current projections suggesting its implementation from HGV vehicles in 2030.



6.2 Today, the Council fleet is mainly petrol for plant and diesel for small vehicles and LGV's, with a small proportion being of electric vehicles due to the limitations of onsite power and charging stations. The journey over the next nine years is set out above, to ensure that the Council is able to meet its targets and aspirations of a clean green, low carbon operation.

6.3 **Diesel & Petrol Fuel** - currently is the most used fuel in the UK for HGV & Light Commercial Vehicles, Euro 6 Engines are the latest emission standards for HGV Vehicles. Approximately 90% of ADC fleet vehicles comply to these emissions standards. The majority of ADC existing fleet is either Petrol or Diesel and only a small proportion is hybrid or electric (see breakdown below).



6.4 **HVO Fuel -** Provides a viable transitionary alternative until alternative RCV markets (such as electric and/or hydrogen RCVs) mature. It significantly reduces emissions by up to 90% (compared with conventional fossil fuels), is similar in cost to diesel and has been successfully trialled and adopted by other councils.

6.5 **Electric –** provides a transitional arrangement for the Council, enabling the replacement of end-of-life vehicles with electric, whilst we wait for the developing hydrogen market to catch-up. The transition from Diesel and Biofuel to Electric as a mid-way point to hydrogen for large goods vehicles (LGV), will take place from 2026, when the Depot receives a new Sub-Station that will allow increased charging capacity to the site.

6.6 **Hydrogen –** Is the fuel of the future however, there are several barriers to using Hydrogen at this present time, which are; it is highly flammable and explosive in nature, not easily transported from one place to another and it can be generated as a bi-product of energy from waste, plastic processing of through the hydrolysis of water. Hydrogen is widely available across most of Europe however, it is not yet manufactured in sufficient quantities in the UK, which means it need to be imported and therefore expensive.

6.7 There are currently several trails and developments taking place across the UK and over the next five years to generate clean hydrogen at an affordable cost. We are expecting existing energy from waste facilities to be upgraded and new plant and processes to be introduced, that will make hydrogen freely available at a competitive price across the UK by 2032.

6.8 By 2030 it is expected that the ADC fleet is 70% carbon neutral.

7.0 The Grey Fleet

7.1 The Council's Grey Fleet, which comprises of existing staff members, using their own vehicle for use on Council business, either as an essential user or a casual user need to align with the Council's aspirations of cleaner, greener and a low carbon operation.

7.2 Moving forward the Grey Fleet Management will need to be redesigned to allow it to align and transition to an alternative greener approach as set out within the Ashfield Sustainable Fleet Management Strategy 2025 -2034.

7.3 The Council has two types of grey fleet users these being:

- **Essential User:** Monthly lump sum plus mileage expense on Council business.
- **Casual User:** Mileage Expense on Council business.

7.4 The Council currently has 53 essential user and 80 casual users and the total cost of the grey fleet operation is £105,225.17 p.a as shown below (estimates from April 2024-March 2025):

	Number of people	Miles	Cost (p.a)
Essential Users	53	83,108	£37,398.78
Casual Users	70	51,085	£22,988.34
Total	123	134,193	£60,387.12

*There is an additional cost of £44,838.80 (53 x £846) lump sum. This payment is solely made to essential users.

7.5 The Council's Grey Fleet Policy is currently undergoing a full review, to explore alternative opportunities for the management of the grey fleet and align with the Councils Net Zero aspiration. Set out below are a few examples of the areas that the Council will be exploring as part of the review:

Looking Ahead (Considerations)

- One rate of mileage compensation (removal of essential/casual criteria)
- Pool Cars
- Car Sharing
- Pool Vans (Front line Operational)
- Cycle to Work Scheme
- Car Clubs.
- Travel to work plans.

7.6 The outcome of the grey fleet review and consideration of the future options, will feed into the new Grey Fleet Policy and the Ashfield Sustainable Fleet Management Strategy.

8.0 The Fleet Replacement Plan

8.1 The below table outlines the vehicle replacement plan over the next nine years as approved in the Council's Capital Programme.

Replacement Profile (based on life of vehicle 109 asset replacements to 2030)

Vehicle Replacement 2024/2034	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034
Housing Vehicle	6	3	7	8	8	8	6	6	7
Waste Vehicles RCV	4	3	5	3	3	1	4	3	5
Environment Vehicles	4	6	4	4	3	3	3	4	4
Cleansing Sweepers	0	0	0	6	0	0	0	0	6
Markets, Pest, CPO	3	3	2	0	0	3	2	2	2
Grass Cutting Equipment	5	4	5	5	5	4	4	5	5
9	22	19	23	26	19	19	19	20	29

Implications

Additional training will need to be provided to develop workshop staff's skills and knowledge of maintenance and repair work for electric/ hydrogen vehicles.

The existing depot will need to be upgraded in the short term to allow the storage and supply of Bio Diesel in 2025/26, Electric Sub-station in 2027/28 and finally Hydrogen in 2032. Alternative fuelling stations could be explored with partners of local industry as part of the regional transition to net zero fuels.

Corporate Plan:

The Fleet Replacement Strategy aligns with the Corporate Plan 'District-wide reduction in carbon emissions, with reduced carbon footprint from Council operations'.

Legal:

Finance:

Budget Area	Implication
General Fund – Revenue Budget	Existing operational expenditure is within current budget allocations for 2025/26.
General Fund – Capital Programme	Capital asset replacement is as set out within the strategy and is adjusted each financial year as part of the Council's capital programme.
Housing Revenue Account – Revenue Budget	N/A
Housing Revenue Account – Capital Programme	N/A

Risk:

Risk	Mitigation
Infrastructure of ADC depot site not being ready for HVO, electric, hydrogen vehicles.	A site assessment for the storage on Biofuel is currently underway, with expectation that a new bunded storage tank will be required on site. A new substation and additional electrical charging points are incorporated into the Depot renovations with the infrastructure to scale this number in the future included in the designs.

	Options for hydrogen fuel provision and storage will be explored over the next two years.
Capital required to finance the fleet replacement. Increased cost of electric/hydrogen vehicles.	Accounted for in the fleet capital and revenue vehicle Replacement Plan for 2025 – 2034, which has been approved as part of the Council's Capital Programme.
Lower range of electric vehicles.	Rounds designed to reflect the capacity of the vehicles.
Increased maintenance cost of electric and hydrogen vehicles.	Accounted for in the Council's annual budget setting mechanism.
Lack of mechanical expertise to diagnose and repair electric and hydrogen vehicles.	Training to be provided to develop workshop staff's skills and knowledge for electric and hydrogen vehicles as part of the vehicle procurement activity.
Carbon reduction targets not met by ADC.	Monitoring of the vehicle replacement programme in line with the strategy. Review of existing grey fleet operation to ensure alternative options are identified and implemented where agreed.

Human Resources:

N/A

Environmental/Sustainability:

The Fleet Replacement Strategy aligns with the corporate priority of 'Ensuring the green agenda is at the centre of our decision making, leading by example, and working together across the organisation to reduce carbon impacts from our own assets'.

Equalities:

N/A

Other Implications:

N/A

Reason(s) for Urgency

N/A

Reason(s) for Exemption

N/A

Background Papers

(if applicable)

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