

Committee(s): Environment, Enforcement and Housing Committee	Date: 14 th January 2020
Subject: Carbon Reduction - Improving Vehicle Mobility Options Across the Borough	Wards Affected: All
Report of: Greg Campbell	Public
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Summary

This report extends the wider 'Green Agenda' by considering alternative car provision method for Brentwood Council Staff to utilise for work purposes. Following any success of the implementation of such a scheme a wider agenda for 'greener' car mobility will be considered.

Recommendation(s)

Members are asked to:

R1. Delegate authority to the S151 Officer in consultation with the Director of Operations and the Chair and Vice-Chair of Environment, Enforcement and Housing Committee to agree the approval of a contract for the introduction of an electric vehicle pool car scheme for staff use on business.

Main Report

Introduction and Background

1. As part of the Council's continuous drive to reduce its carbon footprint, reduce the emissions it creates and deliver against national and international environmental targets the Council is considering different methods/projects in which to achieve these ambitions

2. One area where there is further opportunity to reduce emissions is the introduction of electric pool cars for employees to use when on official business.

3. This report begins to consider a phased approach to introduce electric vehicles for Council officers to use when on official day to day business.
4. The report considers the introduction of an initial scheme and subject to further development of a business case the full introduction of EV pool cars across the fleet. It is then envisaged that following this initial pilot project other environmentally friendly vehicle mobility offers could be made public and rolled out?

Issue, Options and Analysis of Options

5. At this point in time this project, Phase 1, will focus on delivery of a scheme to introduce electronic vehicles for Council staff to begin to use for business. Further phases will seek to deliver other mobility options. The draft phases are set out below however, these phases and their scope may change over time dependent on the individual business case and changes to the market and public demand.

6. The phases at present include:

Phase 1 - Introduction of a Scheme which will introduce electric vehicles for staff to use for business.

Phase 2 – Develop a business case to consider the wider roll out of Electronic vehicles for staff to use on business

Phase 3 – Working with providers seek to introduce ‘On Streetcar Clubs’

Initially the Council will seek to introduce a scheme that will enable council officers to use electronic pool cars whilst on business

7. In 2018 officers claimed over 70,000 business miles averaging 19 miles per claim by officers from various departments whilst undertaking their duties.
8. Providing electronic vehicles will reduce carbon emissions, promote an environmentally conscious council and reduce the number of miles claimed by Council employees.
9. This provision of electronic pool cars will begin to shift the culture and nudge employees to use the electric vehicles provided instead of their own vehicles.
10. The Council has gathered information that the introduction of EV pool cars could result in the reduction in the number of miles claimed by staff

11. Indicative costs to introduce EV pool cars have been gathered. These identified a charge of £500 per month plus 0.08pence per mile per vehicle for an initial period of 36 months. In order to obtain the best price, the Council would follow procurement procedures.

12. Staff will be encouraged to use the EV pool vehicle before using their own vehicle to make business trips. Making such a change could result in a saving of over 11 tons of Co2 Emissions per annum per vehicle based on a saving of 20,000 miles per car using the Carbonify – Carbon Dioxide Emissions Calculator. The pilot will rely on staff to use the EV pool car and this will be encouraged and made as accessible as possible.

13. Indicative costs gathered indicate that the lease of two vehicles plus mileage plus charging per annum is approximately under £16,000.

14. At present officers claim 0.45p per mile, therefore assuming that officers use the vehicles to the maximum, mileage claims could reduce significantly to enable a saving of £9,000 per vehicle per annum. This saving is set out in the chart below

Outgoings		X2 cars Total		Saving		X2 cars Total
Lease of Car – per month per car	£500	£12,000		Mileage claims based on 20,000 miles per car per annum	£9,000	£18,000
Charge per car per annum	£2,000	£4,000				
Total Outgoings		£16,000		Total Saving		£18,000

15. The scheme will be reviewed after 36 months and form part of any further overall business case to support further roll out of an EV Pool car scheme.

16. The measure of the success will be based upon:

- Use by employees
- Average time vehicle is on the road
- Reduction in carbon emissions due to the number of journeys (miles) taken.
- Potential savings of scheme against cost of miles claimed.

17. In terms of the other phases 2 and 3, businesses cases will be worked up following a review of the initial impact of the EV pool cars. Any future schemes will need to be considered on their own merits.

18. This report is therefore asking for approval to introduce two EV pool cars and subject to further development of a business case the further introduction of EV pool cars across the fleet.

Reasons for Recommendation

19. The recommendation develops the council's approach to reduce CO2 emissions and continues to make practical changes that deliver tangible results. It demonstrates change while a further business case is developed to look to implement a wider roll out

Consultation

20. No consultation with Staff has so far been carried out. This will form part of the work if agreed.

References to Corporate Plan

21. Encourage more people to become involved in the environmental aspects of their community.

22. Consider how Council assets can be utilised to promote sustainable development in the Borough.

Implications

Financial Implications

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23. This decision will assist to develop a full business case for wider implementation. The £16,000 per annum will be a growth in the Medium-Term Financial Plan as this cost cannot be funded from existing budgets.

24. The implementation of this scheme should be cost neutral at best case however, it is envisaged that this will be an environmental initiative rather than a

saving initiative due to the amount of pool cars proposed not covering the current mileage incurred by staff. Currently, the saving on mileage claims cannot be quantified until the scheme is implemented and monitored. Over the period, this data will be captured and used in a further business case for a further proposal full roll out.

25. Currently staff can claim 45p per mile. This is the tax-free approved mileage allowance for the first 10,000 miles in a financial year. It is 25p per mile thereafter. For each pool car's revenue growth to be offset, it would be expected that each car would need to save 17,778 miles per annum on officers claiming mileage on their personal cars. This is around one quarter of the miles claimed in 2018.
26. From April 2020 the introduction of IFRS 16 lease accounting standard will come into effect. IFRS 16 will see an increase in many local authorities recorded level of debt for 3 main reasons: many operating leases will come onto the balance sheet; leases will be measured over life expected life rather than the minimum term; and lease liabilities will now include any inflationary uplifts. It is envisaged that under the new lease accounting treatment the estimated costs would be a revenue cost, however the business case will consider the lease treatment and financial proposals will confirm this. Officers will work with the Finance department to determine any lease impact of the council's finances.

Legal Implications

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27. The recommendations outlined in this report are lawful and will help to secure compliance with the Council's statutory obligations and Government policy.

Economic Implications

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28. The business case should consider the wider economy as part of the implications of introducing pool cars to the borough. Ambitions for the green agenda and offering a service that enables better connectivity is likely to have wider economic benefits, as well as benefit local residents. Considering partners who may be able to help provide carpooling services, and ambitions for electric vehicles, is likely to contribute to economic growth in the area through investment and the potential to enlarge the scheme to benefit a wider area of the borough and surrounding areas in time. Such potential should be considered in the business case

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

Background Papers

None

Appendices to this report

None