



Report To:	Executive Board
Date:	9 July 2024
Subject:	Pool Car renewal
Purpose:	Request for Capital Funds to replace a number of Pool Cars.
Key Decision:	No
Portfolio Holder:	Cllr Martin Foster
Report Of:	James Gilbert, Assistant Director (Corporate)
Report Author:	James Ward – Business Analyst
Ward(s) Affected:	No
Exempt Report:	No

Summary

ELDC own and operate a total of 17 'pool cars' for use by staff to undertake ordinary business duties. The current fleet consists of 12 small petrol hatchback vehicles purchased throughout 2017-2021, along with 5 small Diesel vans purchased throughout 2017-2018.

Some of the older petrol vehicles are/have now passed beyond their economical useful life and are in need of renewal. As part of the Council's ambition to reduce its environmental impact the report proposes trialling electric pool cars.

This report, therefore, requests capital funds to enable the disposal of 3 Citroen C1 hatchback vehicles and replace them with 3 full EV Nissan Leaf as an initial trial for use of EV vehicles for pool car use.

Recommendations

- Approve the addition of £49,240 to the Capital Programme to enable the purchase of pool car vehicles as set out in this report.
- Approve Capital funding via way of MRP (Minimum revenue provision) with the financing spread over a 7 year term, equivalent to the anticipated life of the asset.

Reasons for Recommendations

The vehicles are no longer considered fit for purpose. Replacement vehicles are necessary to ensure staff can continue to undertake site visits, inspections and attend meetings.

Other Options Considered

Option 1 – ‘Replace with like for like petrol vehicles’ - Not recommended due to decarbonisation plans and needs to trial suitability of EV Vehicles.

Option 2 – ‘Do nothing’ – Not recommended – the 3 Citroen C1 vehicles identified for disposal are now in excess of 7 years old. The vehicles are now incurring increased maintenance costs and the fleet manager is recommending them for disposal.

Option 3 – ‘Reduce fleet size, dispose of 3 x Citroen C1 and not replace’ – Not recommended due to the need to provide sufficient pool fleet vehicles for staff to undertake ordinary business duties. Reducing fleet size would severely impact ordinary business operations.

1. Background

1.1 Recently analysis was undertaken between pool car usage and private mileage claims, this analysis shows that since becoming operational in 2017 the pool cars have typically operated at a NET cost of around £0.30 per mile; this is £0.15 per cheaper than the staff reimbursement rate of £0.45p/m. For this reason it is economically beneficial for business mileage to be undertaken in pool cars wherever possible

This information was presented to SLT who approved the renewal of the fleet on the basis as follows.

- To renew the pool car fleets for East Lindsey and Boston on a ‘Fair Economical Life’ basis; that vehicle’s be replaced, at an optimum economical point.
- That replacement vehicles should be of a ‘hybrid’ type to assist with the carbon reduction strategy.
- Diesel vehicles should be avoided due to negative environmental impacts.
- That as far as possible, the fleet should be uniformed, removing the current approach of running multiple different vehicle manufacturers, specifications, and types.

Following this feedback, a further review of the current ELDC Fleet and Boston Fleet has been undertaken, and an exercise undertaken to identify a suitable replacement vehicle specification and renewal schedule.

1.2 3 Citroen C1 Pool cars were purchased by ELDC in April 2017 for use as staff pool cars. The pool car fleet was then subsequently extended throughout 2017-2021 to comprise of 17 vehicles in total, which are operated from base sites in Louth VMU, Louth Meridian Leisure Centre, Skegness Aura Business Centre and Horncastle Hub:

Vehicle Type	Fuel	No. Vehicles
Citroen C1 Furio	Petrol	3
Vauxhall Corsa van	Diesel	5
VW Polo	Petrol	9
Total		17

1.3 Upon initial purchase the vehicles were recommended/anticipated to be renewed on a basis of every 5 years or 75,000 miles whichever ever arrived first to ensure vehicles were fit for purpose and were not operating long beyond most economical use. All of the fleet is in need of renewal during the next 2-3 financial years, however this report only relates to the replacement of the three oldest vehicles, which are now in excess of 7 years old.

2. Report

2.1 the report requests funding to replace the three oldest (April 2017) ELDC pool car vehicles with fully electric EV vehicles.

A desk based exercise was undertaken to shortlist potentially suitable vehicles and then inspections were undertaken on the shortlisted vehicles, by the transformation team and the 'Age Friendly Officer'. Initial shortlisting considered a range of vehicles including full EV, hybrids and petrol vehicles.

On completion of this shortlisting exercise it was identified that the 'Nissan Leaf Tekna hatchback' was the preferred vehicle type as it satisfied all the pool vehicle criteria including cargo space, range and charging requirements. In addition, it was noted that the EV Nissans Leaf vehicles are currently substantially discounted on the Crown Procurement Portal.

2.2 Upon purchase of the Nissan Leaf vehicles it is proposed that 2 of the Citroen C1's will be disposed of immediately by the Fleet Manager via trade sale (the third vehicle is currently on loan to PSPS telecare service and will be disposed of in 2025). Forecasted disposal proceeds are estimated at around £2,000 per vehicle (Subject to final mileage and condition).

2.3 The cost of the 3 proposed vehicles is summarised in the table below:

Vehicle Details	List price (£)	Discount %	Discount (£)	NET (£)
3 x Nissan Leaf Tekna (including charging cable, delivery and First registration fee)	83,693	42%	(34,452)	49,240

Subtotal				49,240

2.4 It is proposed that this addition to the Capital programme of £49,240 is financed through MRP over a period of 7 years totalling £7,034 per annum which will also assist in future asset replacement at the end of the vehicles usable life.

Corporate Priorities

The pool car fleet enables the delivery of key Council services.

The vehicles to be purchased are EV, meaning they will support the Council's commitment to reducing its impact on the environment.

Staffing

N/A

Workforce Capacity Implications

N/A

Constitutional and Legal Implications

N/A

Data Protection

N/A

Financial

As set out in the report

Risk Management

None

Stakeholder / Consultation / Timescales

Pool car users will be briefed regarding the vehicle fleet renewal, however the proposal does not require formal consultation.

Reputation

None

Contracts

The vehicles are proposed to be purchased through the Crown Fleet Procurement Portal. Contracts are raised directly with chosen suppliers.

Crime and Disorder

None

Equality and Diversity / Human Rights / Safeguarding

None

Health and Wellbeing

None

Climate Change and Environmental Implications

The proposed replacement of 3 of the council 12 petrol pool car vehicles with full EV vehicles will contribute towards the Council’s decarbonisation targets.

Links to 12 Missions in the levelling Up White Paper

The project indirectly contributes towards the ‘Levelling up’ 12 Missions’ as the cars are needed to undertake the business of the Council.

Missions	
This paper contributes to the following Missions outlined in the Government’s Levelling Up White paper.	
Living Standards	By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.
Research and Development	By 2030, domestic public investment in Research & Development outside the Greater South East will increase by at least 40% and at least one third over the Spending Review period, with that additional government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.
Transport Infrastructure	By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.
Digital Connectivity	By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.
Education	By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third.
Skills	By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully

	completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.
Health	By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.
Wellbeing	By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
Pride in Place	By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.
Housing	By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government's ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas.
Crime	By 2030, homicide, serious violence, and neighbourhood crime will have fallen, focused on the worst-affected areas.
Local Leadership	By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

Acronyms

N/A

Appendices

None

Background Papers

None

Chronological History of this Report

N/A

Report Approval

Report author:	James Ward – Business Analyst (ELDC)
Signed off by:	James Gilbert – AD Corporate
Approved for publication:	Cllr Martin Foster, Cllr Tom Kemp