

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
COUNCIL – TUESDAY, 16 NOVEMBER 2021



Title of Report	CAPITAL PROGRAMME UPDATE	
Presented by	Councillor Nick Rushton Corporate Portfolio Holder	
Background Papers	Budget and Council Tax 2021/22 – Council – 23 February 2021 Fleet Management Strategy – Corporate Scrutiny Committee – 1 September 2021 Adoption of Fleet Management Strategy – Cabinet – 21 September 2021	Public Report: Yes
Financial Implications	Financial implications for the capital programme are detailed within this report, whilst the full implications for the financial management strategy, which includes in impact on both the general fund and housing revenue account, as detailed in the Fleet Management Strategy reported to Cabinet in September 2021.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	This report ensures compliance with the Council's constitution. The detailed legal implications are included in the Management Strategy reported to Cabinet in September 2021.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	The detailed staffing and corporate implications are included in the Management Strategy reported to Cabinet in September 2021.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To allow the Council to approve changes to the 2021/22 Capital Programme budgets that were previously approved by Council in February 2021.	
Recommendations	COUNCIL IS RECOMMENDED TO APPROVE THE CHANGES TO THE GENERAL FUND CAPITAL PROGRAMME DETAILED IN THIS REPORT	

1.0 BACKGROUND

1.1 In February 2021, the Council approved budgets for the 2021/22 financial year, including a £7.0 million capital programme for the Council's general fund. Included within that programme was a £1.36 million provision to replace some of the council vehicles in 2021/22, although paragraph 5.13 of that report noted that the fleet replacement programme was on hold whilst officers investigated lower carbon options. That review is now complete, and it is necessary to get Council approval to increase the budgets to replace vehicles following the review.

2.0 NEW FLEET MANAGEMENT STRATEGY

2.1 In late 2020, the council took the decision not to purchase new vehicles until a new fleet management strategy was created to demonstrate how the council's fleet could transition to zero carbon by 2030.

2.2 On 21 September, Cabinet approved the new fleet management strategy, which recommended purchasing battery electric vehicles where they were suitable and using Hydrotreated Vegetable Oil instead of diesel for the existing fleet and where there was no viable alternative to new diesel vehicles.

2.3 The fleet management strategy was reviewed by the Corporate Scrutiny Committee on 1 September 2021 and approved by Cabinet on 21 September 2021. Links to these meetings are provided in the background papers and can be used to find more detail about the fleet management review.

2.4 As a result of the review, 86 vehicles were identified as needing replacement over the next three years, at a total cost of £5.2 million. The resulting changes to the capital programme are detailed in the table below. The consultants involved in the project recommend reviewing the fleet options again in 2024 to see whether technological advances create new options for replacing the remaining diesel vehicles with alternative technology, such as hydrogen.

	2021/22* For approval	2022/23 Indicative	2023/24 Indicative	2024/25 Indicative	2025/26 Indicative	Total Budget
Previously agreed Fleet Replacement Budgets	£2,503,320	£526,000	£505,000	£561,000	£0	£4,095,320
New Fleet Replacement Budget	£2,289,520	£1,323,035	£1,616,910	£0	£0	£5,229,465
Change in budget	£-213,800	£833,135	£1,113,910	£-561,000	£0	£1,134,145

Note 1: 2021/22 Previous budget includes £1.1 million carried forward from previous years fleet replacement budgets that were not used

2.5 An additional budget of £43,100 over three years is also needed to fund the additional charging infrastructure required for the new Battery Electric Vehicles. The table below shows changes to the capital programme required.

	2021/22* For approval	2022/23 Indicative	2023/24 Indicative	2024/25 Indicative	2025/26 Indicative	Total Budget
Previously agreed electrical vehicle charging point budget	£57,446	£0	£0	£0	£0	£57,446
New electrical vehicle charging point budget	£62,446	£36,100	£2,000	£0	£0	£100,546
Change in budget	£5,000	£36,100	£2,000	£0	£0	£43,100

Note 2: 2021/22 Previous budget includes £57,446 carried forward from previous years electric vehicle charging budget.

2.6 Appendix A provides a summary of the new general fund capital programme. The fleet replacement programme will be funded through unsupported borrowing, which will result in minimum revenue provision charges.

Policies and other considerations, as appropriate	
Council Priorities:	<ul style="list-style-type: none"> - Developing a clean and green district - Our communities are safe, healthy and connected
Policy Considerations:	Zero Carbon Policy and Roadmap as Fleet is a key area of work to reduce emissions. Human Resources Policies and Terms and Conditions in respect of staff training to use new technology as well as the need to charge from home.
Safeguarding:	N/A
Equalities/Diversity:	Details of the equality and diversity impact of this project is detailed in the Cabinet report.
Customer Impact:	Details of the customer impact of this project is detailed in the Cabinet report.
Economic and Social Impact:	Details of the economic and social impact of this project is detailed in the Cabinet report.
Environment and Climate Change:	Details of the environmental and climate change impact of this project is detailed in the Cabinet report.
Consultation/Community Engagement:	The consultation completed this project is detailed in the relevant Cabinet report.
Risks:	The risk for this project is detailed in the relevant Cabinet report.

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