NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 28th July 2026

Title of Report	**HOUSING FLEET RENEWAL – AWARD OF CONTRACTS**	
Presented by	Councillor Andrew Woodman Housing, Property and Customer Services Portfolio Holder PH Briefed Y	
Background Papers	Premarket assessment and option paper to reach position set out in the report.	**Public Report:** Yes **Key Decision:** Yes
Financial Implications	The financial implications are set out in Section 2.0 of the report. **Signed off by the Section 151 Officer**: Yes	
LGR Implications	The Council are not currently subject to a Structural Changes Order or Section 24 direction as part of the LGR process. Once the Council are under these, there are likely to be restrictions on what contracts that Council may enter into (based on value) without permission of the new authority. As this order is being placed as a single contract now, it is unlikely to be impacted. Should the order however be split into smaller contracts, further advice should be sought in this regard.	
Legal Implications	Officers will undertake compliant procurement procedures that meets the requirements of the Procurement Act 2023 and the Council's constitution. Where a Framework is to be used, the rules in relation to that Framework must be complied with. Legal Services must be engaged in reviewing/drafting the relevant terms and conditions. **Signed off by the Monitoring Officer**: Yes	
Staffing and Corporate Implications	Contract management, oversight and monitoring by Council Officers to ensure best value and performance of the contractor. **Signed off by the Head of Paid Service:** Yes	

Purpose of Report	To seek approval to procure contracts for the provision of a replacement Housing Repairs fleet as set out in Annex A, and to delegate authority to award the contracts following completion of the procurement process.
Reason for Decision	To replace the Housing Repairs fleet, which is at the end of its operational life, in order to maintain service delivery, improve reliability, reduce operational risks and support the Council's environmental commitments.
Recommendations	**THAT CABINET:** **1. APPROVES THE PROCUREMENT OF CONTRACTS FOR THE PROVISION OF A REPLACEMENT HOUSING REPAIRS FLEET AS DETAILED IN ANNEX A, WITHIN THE IDENTIFIED FINANCIAL LIMITS.** **2. DELEGATES AUTHORITY TO THE STRATEGIC DIRECTOR WITH RESPONSIBILITY FOR HOUSING, IN CONSULTATION WITH THE HOUSING, PROPERTY AND CUSTOMER SERVICES PORTFOLIO HOLDER AND THE SECTION 151 OFFICER, TO AWARD THE CONTRACT TO THE CHOSEN SUPPLIER AND ENTER INTO ALL NECESSARY AGREEMENTS APPLICABLE TO THE CONTRACT AWARD.**

1.0 Background

1.1 The Council's Housing Repairs fleet is currently at the end of its operational life, resulting in increased maintenance costs, reduced reliability, and disruption to service delivery. The fleet, which supports the Responsive Repairs, Voids and Minor Works service, consists of 58 vehicles, many of which are operating beyond the Council's adopted lifecycle.

1.2 This has led to increased breakdowns, delays in repairs and void turnaround times, and a growing risk to tenant satisfaction and service performance. A full review of the fleet has therefore been undertaken, including market analysis, vehicle trials, and an assessment of future operational and environmental requirements.

1.3 The review identified that a full transition to electric vehicles is not currently feasible due to operational and infrastructure constraints, particularly around home charging availability. An Electric Vehicle (EV) Trade Operative Eligibility Review was undertaken and confirmed that a proportion of operatives are unable to support EV adoption due to factors such as property tenure, lack of off-road parking, or charging constraints.

1.4 As a result, a practical EV-first, mixed fuel approach is required. Electric vehicles will be prioritised where operatives meet the necessary criteria and infrastructure allows, with alternative fuel vehicles utilised where this is not currently feasible.

1.5 A full fleet replacement programme is now required to ensure service continuity, improve operational efficiency, and support the Council’s environmental commitments. This will involve replacing all 58 vehicles through a phased delivery programme over two years.

1.6 In parallel, the Council has reviewed the preferred maintenance approach and has determined that vehicle maintenance will continue to be delivered in-house through the Council’s fleet depot. A formal Service Level Agreement (SLA) will be introduced to strengthen performance, improve turnaround times, and ensure consistent service delivery.

1.7 The Council intends to utilise an established vehicle procurement framework provided by The Procurement Partnership Limited (TPPL), which has been used successfully by the Waste service for previous vehicle replacement programmes. The use of this framework is expected to provide a compliant, efficient and value-for-money route to market whilst reducing procurement timescales and risk. Advice has been sought from the Council’s procurement team who have advised that this is an appropriate method of procurement.

1.8 Officers will work with TPPL to confirm the requirements of the proposed mini-competition and ensure that the framework can fully meet the Council's operational, technical and environmental requirements for the Housing Repairs fleet replacement programme.

1.9 Subject to the framework meeting the Council's requirements, the Council will proceed with a mini-competition through the TPPL framework. Should the framework not meet the Council's requirements, an alternative compliant framework will be identified and utilised to deliver the procurement.

2.0 Financial Implications

2.1 Provision for the fleet renewal programme has already been made within the Housing Revenue Account (HRA) Capital Programme by Council, with an overall allocation of approximately £3 million budgeted in 2026/27.

2.2 The estimated contract value for the fleet procurement is in the region of £2.45 million to £2.86 million, depending on final pricing and delivery approach. The final value will only be known following the intended procurement process.

2.3 A full financial appraisal has been undertaken comparing lease and purchase options. This concludes that leasing represents the best overall value for money, offering a lower whole-life cost when compared to purchasing an equivalent fleet. Leasing provides predictable revenue costs, avoids borrowing requirements and associated interest costs, and offers flexibility during a period of organisational change.

2.4 This flexibility is particularly important in the context of Local Government Reorganisation (LGR**)**, as it reduces long-term capital commitment and allows for greater adaptability in how fleet resources may need to be configured or rationalised under any future organisational arrangements.

3.0 Fleet Strategy (EV First Approach)

3.1 The fleet will be delivered on an EV-first basis, meaning electric vehicles will be allocated as the primary option where operationally viable.

3.2 Allocation of EVs will be based on clear criteria, including:

- Residency within operational range
- Completion of probation
- Availability of off-road parking
- Ability to install a home charging solution
- Agreement to required operational and data-sharing conditions

Where operatives do not meet these criteria, alternative fuel vehicles (HVO) will be provided to ensure service delivery is not impacted.

This approach ensures:

- Progress towards carbon reduction objectives
- A practical and deliverable transition to EVs
- No adverse impact on operational performance or workforce terms and conditions

4.0 Maintenance Model

4.1 Following further review, it is proposed that maintenance of the fleet will remain with the Council's internal garage at Linden Way.

4.2 A formal Service Level Agreement (SLA) will be introduced to improve performance and address historical challenges. This will include clear expectations around servicing, MOT scheduling, turnaround times, communication and vehicle availability.

This approach provides:

- Retention of in-house expertise and operational control
- Cost efficiencies compared to external maintenance provision
- Greater flexibility in prioritising vehicles in line with service demand
- Improved accountability through formalised performance management

The SLA is intended to mitigate previous risks associated with internal maintenance by introducing structured performance monitoring and defined service standards.

5.0 Delivery Model

5.1 The fleet replacement will be delivered on a phased basis, aligned to procurement outcomes, supplier availability and operational priorities.

5.2 The detailed delivery timeline will be confirmed following contract award and will be dependent on supplier lead times, manufacturing capacity and vehicle availability.

This approach supports financial planning, reduces operational disruption, and maintains service continuity while the new fleet is introduced.

6.0 Options Considered

6.1 Do Nothing

Under this option, the existing fleet would continue to be utilised beyond its recommended operational lifecycle with vehicle replacements undertaken only when individual vehicles become uneconomical to repair.

Advantages

- No immediate procurement costs.
- Defers capital and revenue expenditure.

Reasons Discounted

- The current fleet is already beyond its adopted replacement lifecycle.
- Vehicle reliability is continuing to deteriorate, resulting in increased breakdowns and service disruption.
- Increased maintenance costs would continue to place pressure on budgets.
- Delays to responsive repairs and void turnaround times would adversely impact tenant satisfaction and service performance.
- Does not support the Council's environmental objectives or fleet modernisation requirements.

This option was therefore considered unsustainable and presents an unacceptable operational risk.

6.2 Full Electric Vehicle Fleet

This option considered replacing the entire Housing Repairs fleet with electric vehicles and transitioning all operatives to EV usage.

Advantages

- Maximises carbon reduction and air quality benefits.
- Supports the Council's ambition to become a Zero Carbon Authority.
- Reduces future reliance on fossil fuels.

Reasons Discounted

- The EV Trade Operative Eligibility Review identified that a significant proportion of operatives are unable to support home charging due to property tenure, lack of off-road parking, or infrastructure limitations.
- Centralised charging hubs were assessed but are not operationally practical due to the dispersed nature of the workforce and the requirement for operatives to travel directly to appointments from home.
- A full EV fleet would introduce service delivery risks where charging infrastructure is not available.
- Significant additional infrastructure investment would be required.

Whilst EVs remain the preferred option wherever feasible, a full fleet transition is not currently achievable without unacceptable operational disruption.

6.3 Purchase Fleet Outright

This option considered purchasing all replacement vehicles through the Housing Revenue Account Capital Programme.

Advantages

- Full ownership of fleet assets.
- Potential residual value at the end of vehicle life.
- Greater flexibility over disposal and future use.

Reasons Discounted

- Higher whole-life cost than the lease option.
- Requires significant capital investment and borrowing.
- Exposes the Council to depreciation and residual value risks.
- Reduces flexibility during a period of uncertainty associated with Local Government Reorganisation (LGR).

A detailed financial appraisal concluded that leasing offers better value for money and greater flexibility.

6.4 External Fleet Maintenance

This option considered outsourcing all vehicle maintenance to an external provider as part of a fully managed fleet arrangement.

Advantages

- Fixed maintenance costs.
- Reduced requirement for internal fleet resources.
- Potential access to specialist manufacturer expertise.

Reasons Discounted

- Higher overall cost compared to utilising the Council's existing fleet depot.
- Loss of operational control and flexibility.
- Does not maximise the value of the Council's existing fleet maintenance facilities and workforce.
- An improved Service Level Agreement can address historic performance issues whilst retaining the benefits of in-house provision.

Following review, retaining maintenance at Linden Way depot supported by a formal SLA was identified as the preferred approach.

6.5 Preferred Option

The preferred option is an EV-first mixed-fuel fleet replacement programme delivered through a leased vehicle arrangement, with maintenance retained in-house under a formal Service Level Agreement.

This approach provides the best balance between operational resilience, value for money, environmental performance, and flexibility during the period of Local Government Reorganisation, whilst ensuring continuity of service delivery for Responsive Repairs, Voids and Minor Works.

Policies and other considerations, as appropriate	
Council Priorities:	- Communities and housing - A well-run Council
Policy Considerations:	Housing Asset Management Plan 2022/24 Housing Repairs and Maintenance Policy 2024 Damp, Mould and Condensation Policy 2025
Safeguarding:	A key part of contract delivery and ongoing fleet operations will be to consider and report any safeguarding concerns identified when accessing tenants' homes. All operatives are expected to act in line with the Council's safeguarding procedures.
Equalities/Diversity:	No adverse impacts have been identified. The proposed approach supports equitable service delivery through improved reliability and responsiveness. Contractors and operatives are required to comply with the Council's equality and diversity policies as part of contractual obligations.
Customer Impact:	The provision of a modern, reliable fleet will support the timely delivery of repairs, reduce missed appointments, and improve overall tenant satisfaction. Any health and safety concerns identified during service delivery will be reported and addressed promptly.
Economic and Social Impact:	The proposals support continued delivery of essential housing services. No significant adverse economic or social impacts have been identified.
Environment, Climate Change and Zero Carbon:	The fleet replacement programme supports the Council's climate commitments through an EV-first approach, reducing emissions where operationally feasible. This aligns with wider housing and asset management objectives to improve the efficiency and sustainability of the Council's housing stock and associated services.

Consultation/Community/Tenant Engagement:	While there has been no specific consultation on the procurement itself, engagement has taken place through wider housing service delivery and asset management activities, which have informed the need for improved service reliability and performance.
Risks:	The approval and implementation of this procurement will mitigate risks associated with: • Continued use of an ageing and unreliable fleet. • Service disruption, missed appointments and delays to repairs, voids and minor works programmes. • Non-compliance with statutory and regulatory requirements arising from vehicle downtime or maintenance issues. • Delays in fleet replacement due to vehicle supply chain constraints and extended manufacturer lead times. • Reduced vehicle availability caused by increasing maintenance requirements and breakdowns within the existing fleet. • Inability of the in-house maintenance service to meet required service standards, resulting in extended downtime, delayed MOTs and servicing, and reduced operational performance. This risk will be mitigated through the introduction of a formal Service Level Agreement with defined performance standards and monitoring arrangements. • Supplier performance and delivery risks following contract award, which will be managed through the use of an established procurement framework, contract management arrangements and ongoing performance monitoring.

	Failure to proceed would result in increasing operational, financial, service delivery and reputational risks to the Council.
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ANNEX A - HOUSING CONTRACT LIST OF CONTRACTS TO APPOINT

Contract Purpose, Reason for Appointment and Route	Period (Years)	Annual Value (£)	Total Contract Value (£) (incl. extensions)	Appointment Method	Procurement Route
Housing Fleet Provision of a replacement Housing Repairs fleet comprising 58 vehicles to support the delivery of Responsive Repairs, Voids and Minor Works services. The procurement will deliver leased vehicles aligned to operational requirements and the Council's environmental objectives, with an EV-first approach applied where feasible. Maintenance will be delivered separately through the Council's internal fleet depot under a formal Service Level Agreement. The procurement will appoint a single contractor for the entire duration of the contract.	4 years (aligned with lease lifecycle)	Approximately £600,000 – £700,000	£2.45 million – £2.86 million	Mini Comp	Framework