



Title of report: The New Public Realm Service - Fleet

Decision maker: Cabinet member local engagement and community resilience

Report by: Major Contracts Programme Director

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose

This report seeks approval to draw down the corporate funded borrowing required to purchase an internal fleet associated with the New Public Realm Service.

Recommendation(s)

That:

- a) Cabinet Member approve the drawdown the £1.540m identified corporate funded borrowing to enable the purchase of additional winter maintenance vehicles and an internal fleet for the New Public Realm Service; and**
- b) Cabinet Member delegates authority to the Major Contracts Programme Director to take all necessary operational decisions to carry out the procurement and award of contracts, as set out in recommendation (a), to successful bidders**

Alternative options

1. That this investment is not made and the Council does not purchase additional winter maintenance vehicles and an internal fleet for the New Public Realm Service. This is not recommended as Officers consider that this would lead to additional risk associated with the delivery of the New Public Realm Service, which is a key part of the Council's Delivery Plan.

Key considerations

2. On 28 November 2024, Cabinet approved the council's Public Realm Services model. As part of the report, Cabinet delegated authority to the Corporate Director Economy and Environment to:
 - iii) procure and purchase or lease the fleet of vehicles to enable the provision of the Public Realm Services with the Director of Finance.
 - v) make all operational decision to implement the above recommendations.
3. The strategy and approach for fleet and plant provision has been incorporated into the new public realm contract, with the council retaining ownership of winter maintenance vehicles and a corporate fleet. Whilst maintenance of the council's fleet will be provided by the new public realm contractor, the council will remain responsible for the funding and replacement of the above vehicles as and when required.
4. To support the implementation of the new operating model for the public realm service, the council is required to:
 - a) provide an additional, appropriate fleet for use by TUPE transferred employees and existing Herefordshire Council highway staff to enable the council to perform a client role within the contract and to also consolidate its current fleet arrangements
 - b) provide the necessary winter maintenance vehicles that are required
 - c) fund the vehicle replacement programme.
5. In determining the council's solution, the following key requirements need to be met:
 - a) an additional, appropriate fleet for use by Transfer of Undertakings (Protection of Employment) Regulations (TUPE) employees needs to be in place by 1 June 2026
 - b) winter maintenance vehicles need to be available for 1 September 2027
 - c) to be affordable
 - d) to contribute to the council's carbon commitments
 - e) to contribute to the corporate fleet review, completed in April 2025
 - f) to increase the flexibility and resilience in the winter maintenance fleet.

An additional, appropriate fleet for use by TUPE transferred employees and existing Herefordshire Council highway staff

6. As part of the new operating model for the public realm service, approximately 60 posts will transfer to the council. Of this number, it is expected that 23 posts will require a vehicle to be provided to perform their duties.
7. A review of the job roles that will transfer to the council has been undertaken to assess the tasks that employees will be required to perform post June 2026. From this it has been determined that a car provides the optimum solution for the majority of roles.
8. Whilst the current contractor uses a range of 4x4 vehicles, cars and small vans in order to match their operational responsibilities, a number of these operational tasks will be undertaken by the new contractor and not the council as part of the new public realm service. The provision of a car for the majority of roles therefore aligns itself to the council's role as the client and will focus employees on inspection, works instruction, quality auditing, community liaison and engagement.
9. The specification for each vehicle has been developed to contribute to the corporate fleet strategy and the council's carbon commitments. Wherever possible, it is intended that vehicles will be:
 - a) Electric (range extender required for optimisation).
 - b) Fitted with vehicle telematics.
 - c) Branded as the council in adherence to the council's brand guidelines.
 - d) Be purchased with a 5-year life span, or 100,000 miles.
10. To ensure that robust compliance and fleet management arrangements are in place the council will need to introduce a fleet booking system with associated vehicle telematics. These components will allow a Fleet Manager to ensure that robust management arrangements are in place for the council to comply with all required legislation and best practice. These systems will also support managers with compliance checks and identifying poor driving behaviours so that early interventions can be made.
11. To ensure that a deliverable procurement process is in place it is proposed to utilise existing frameworks to comply with the council's Procurement Rules and ensure that the vehicles can be sourced and delivered in time for contract commencement. Maintenance of the fleet will be undertaken as part of the new public realm service by the contractor.

Winter Maintenance Fleet

12. As part of the new operating model for the public realm service, the council will retain ownership of the winter maintenance vehicle fleet.
13. A review of the winter maintenance vehicle fleet has been undertaken and four gritters have been identified for replacement, as set out in Table 1.

Reg No	Winter Maintenance Fleet	Type	Replacement Date	Mileage
YJ65VWC	Mercedes	6x4	2025	88,996 km
YG64VEH	Mercedes	Arocs 6x4	2024	65,381 km
YG64VEU	Mercedes	Arocs 6x4	2024	98,234 km
YJ66VHO	Mercedes	Arocs 6x4	2026	77,351 km

Table 1: Winter maintenance vehicles identified for replacement

14. Due to the lead in time for the delivery of replacement vehicles it will be a priority matter during the contract mobilisation to establish the number and type of vehicles that are required to replace the four vehicles identified in Table 1. There is a further gritter due for replacement in 2028/29 and it is anticipated that this will require to be replaced due to the current vehicle reaching the end of its life.
15. To ensure that a robust and deliverable procurement process is in place it is proposed to utilise existing frameworks to comply with the council's procurement rules and ensure that the winter maintenance fleet is sourced and delivered in time for the 2027/28 winter season.

Community impact

16. There is clear evidence that the effective management of the public realm, which includes highways, parks and public rights of way, is an important contributor to the county's health, wellbeing and economy.
17. The public realm contract enables the council to achieve its corporate plan priority to secure better services, quality of life and value for money for the people of Herefordshire.

Environmental Impact

18. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.

19. The public realm contract is aligned to meet the council's environmental objectives that will support the council meeting its net zero ambitions including impacts. The new contract includes new requirements for the contractor and the fleet purchased by the council will contribute to lower carbon emissions.

Equality duty

20. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
21. The mandatory equality impact screening checklist has been completed for this decision and it has been found to have a low impact for equality.
22. Due to the potential impact of this decision being low, a full Equality Impact Assessment is not required.

Resource implications

23. As part of the budget setting process, Full Council approved the 2025/26 Capital Investment Budget and Capital Strategy on 7th February 2025, which included a £1.54 million investment in the Public Realm Fleet.
24. Winter Service fleet maintenance will remain as a contractor cost and charged through the new public realm contract met through service budgets. The maintenance cost of the 23 vehicles has been estimated at £2,200 per vehicle per annum, and this cost will be met through existing service budgets.

Capital cost of project	2026/27	2027/28	2028/29	Total
	£000	£000	£000	£000
Cyclic replacement of winter service fleet (4 gritters @ £198,000/vehicle)	792	0	0	792
Cyclic replacement of winter service fleet (1 gritter @ £218,000)	0	0	218	218
Purchase of 23 vehicles for staff transferring from BBLP to Herefordshire Council	530	0	0	530
TOTAL	1,322	0	218	1,540

Funding streams	2026/27	2027/28	2028/29	Total
	£000	£000	£000	£000
Corporate Funded Borrowing	1,322	0	218	1,540
TOTAL	1,322	0	218	1,540

Legal implications

25. There are no specific legal implications in this report.

Risk management

26. The £1.540 million budget allocated for the Public Realm Fleet was approved at Full Council on 7 February 2025 and will be delivered during 2026/27 and 2028/29.
27. Any risks will be managed as part of the New Public Realm Service project and escalated in accordance with the Risk Management Plan.
28. The key risks on the procurement of fleet are detailed below:

Risk / opportunity	Mitigation
Insufficient lead time <ul style="list-style-type: none"> Delay in commencing procurement. Insufficient lead time for vehicle delivery or availability 	<ul style="list-style-type: none"> Contingency time built into programme.
Vehicle Availability <ul style="list-style-type: none"> Vehicles of required specification are not available 	<ul style="list-style-type: none"> Initial discussions with procurement frameworks to advise of potential requirements
Build Time – Specialist Vehicles <ul style="list-style-type: none"> Specialist winter maintenance vehicles build time 	<ul style="list-style-type: none"> Contingency time built into programme. Existing winter maintenance fleet fully maintained to an operational standard until the arrival of the new vehicles.

Consultees

29. It was agreed by Group Leaders that a Political Group Consultation (PGC) was not necessary for this decision.

Appendices

None.

Background papers

None identified.

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published		
Governance	John Coleman	Date 01/10/2025
Finance	Karen Morris	Date 07/10/2025
Legal	Sean O'Connor	Date 30/09/2025
Communications	Click or tap here to enter text.	Date Click or tap to enter a date.
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