The Highland Council

Agenda Item	6.
Report No	CP/20/24

Committee: **Communities and Place**

Date: **5 September 2024**

Report Title: **Sustainable Business Travel - Update on Progress 2023/24**

Report By: **Assistant Chief Executive - Place**

1. Purpose/Executive Summary

1.1 This report updates Members on progress made with the Approach to Sustainable Business Travel during 2023/24.

1.2 The timescale of the plan is over a 7-year period and reflects the time it will take to see investment in infrastructure, changes in fleet type and meaningful change in behaviour. The plan is subject to funding being identified.

1.3 The Pathfinder 2 project, a collaborative approach with Aberdeen City and Shire Councils and Moray Council is still at a very early stage. A successful bidding exercise will result in the provision of electric vehicle (EV) charging infrastructure for both public and Council fleet vehicles. Without this, or alternative external funding, the Council will be unable to decarbonise its light fleet as there is currently no budget provision for this purpose. Funding for the transition of heavy fleet is yet to be identified.

2. Recommendations

2.1 Members are asked to:

i. **NOTE** progress to date on reducing fleet, miles and emissions
ii. **NOTE** progress with Pathfinder 2 and indicative timescale for implementation in Highland
iii. **NOTE** the updates to the action plan at **Appendix 1**
iv. **NOTE** the Summary of Pathfinder Projects at **Appendix 2**

3. Implications

3.1 **Resource** - The most significant challenge to transitioning the fleet is securing funding. The Scottish Government has indicated that it expects Councils to enter partnership arrangements with the private sector to fund infrastructure requirements. The Pathfinder 2 project was developed to secure private funding in a way that combines public and Council electric fleet charging requirements. The challenge for Highland is low demand areas for public charging, so using the Council fleet requirements in those areas should make this more attractive to the private sector investor.

Additional to the refuelling infrastructure needed to transition to low/no emission vehicles, an increase in budget will be necessary for the transition of all fleet types. The projected cost of ultra-low emission vehicles (ULEV) replacements is currently higher than the internal combustion engine (ICE) equivalent, and the capital cost of re-fuelling or charging infrastructure is also significant. Specific to fleet, there are many changes to be implemented across the entire fleet including vehicle replacement, charging/refuelling infrastructure, adaptations to workshops, as well as driver and mechanic training, and the development of policies and guidance.

A pressure on the market to supply ULEV will impact on pricing and availability as organisations move to replace their fleet to meet internal and national targets. Services will also be required to input to various initiatives which will support the reduction and emissions.

3.2 **Legal -** The Council has several requirements in respect of reporting against its climate change obligations, in addition to being required to directly support Scotland's target to end its contribution to climate change no later than 2045. The outcomes of this report will contribute to effective monitoring and reporting. Each year, data is collected in respect of emissions and costs arising from the Council's use of fleet.

3.3 **Risk** - The actions in the report will assist the Council with supporting its ambitions to meet its climate and ecological targets.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people) -** Training will be provided for relevant staff including mechanics and drivers of new types of vehicles and technology.

3.5 **Gaelic** - There are no Gaelic implications arising from this report.

4. Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is a monitoring and report and therefore an impact assessment is not required.

5. Background

5.1 The Approach to Sustainable Business Travel was approved in August 2023 and supports the Council's Net Zero Strategy, approved by Highland Council on 29 June 2023. It sets out the approach to sustainable business travel and how the changes to behaviour and practice will contribute to the Council's overall Net Zero targets. It brings together a number of strands of work already underway and provides a comprehensive

statement of intent and action plan to facilitate meeting Highland Council and Scottish Government ambitions.

5.2 Business travel covers all the different ways staff and Members travel to undertake their roles on behalf of the Council. This can be in vehicles provided by the Council such as refuse collection vehicles, gritters, vans and car club cars, public transport, or their own vehicles, known as grey fleet. Travel is a necessary part of the way we work; however, we must continue to challenge ourselves on why and how we travel.

5.3 The approach sets out the national and local context, and the 4 themes that will underpin delivery:

- Theme 1 – Reduce through behaviour change
- Theme 2 – Rationalise and renew the light fleet
- Theme 3 – Investigate and develop low emission approach for the heavy
- fleet
- Theme 4 – Building Resilience into the Council's travel projects, guidance
- and policies.

5.4 The action plan sets out how these ambitions will be delivered through the following activities:

- Downsizing the fleet and driving fewer miles
- Fuel-efficient driving
- Replacing vehicles with low emission alternatives
- Reducing the use of grey fleet/using private vehicles for work purpose

6. Strategic Alignment

6.1 Our Future Highland: Delivery Plan 2024-2027 states a commitment to Reconfigure our Asset Base through the development of a Highland Investment Plan and the configuration of a single public estate include partners. This will enable sharing of infrastructure, and ultimately vehicles where appropriate, at hub sites where partners share a building.

The Net Zero, Energy Investment and Innovation theme of the Plan includes a workstream for Investment and Innovation which references the expansion and reliability of EV infrastructure, for both public and fleet use. For fleet, it is expected that delivery of this will be through the Pathfinder 2 project.

7. Finance

7.1 No budget was allocated in the Capital Programme Review – General Fund paper that was presented to Council on 14 September 2023. Appendix C of that paper *Capital Programme Review 2024/25 - 2028/29 New Projects and Additional Requests for Existing Projects - No Recommendation at this time* – included reference to budget for fleet transition:

- Heavy Fleet Decarbonisation £8.8m
- Decarb Fleet - Depot Alterations £3m
- EV infrastructure 5.7m

It is therefore critical that the Pathfinder 2 project is successful in delivering its objective of appointing a commercial partner to deliver the electric vehicle charging infrastructure needed for the fleet to transition.

The transition of heavy vehicles remains more challenging, in terms of vehicle availability and cost. Heavy fleet is generally procured using Capital funding, however given the increase in costs of ULEV heavy fleet this may have to be reviewed.

7.2 Transitioning the fleet is going to be financially challenging. Typical costs to procure an EV light fleet vehicle are typically 20-30% more expensive than a conventionally powered light fleet vehicle. The table below sets out some examples of where budget pressures will be seen.

In terms of leasing light fleet vehicles that are ULEV the difference in cost is more pronounced as lease costs are essentially based on the difference between the purchase price and the residual value of the vehicle at the end of a lease based on milage and condition. We have noted recently that the typical residual value for a conventionally powered car can be as high as 55% of the purchase price after 5 years and 75000 miles. The equivalent vehicle in EV format has a residual value of 20-25% of the purchase price. In terms of lease cost this generally means EV vehicles can be up to 40% more expensive to lease than ICE vehicles as shown in table 1.

Maintenance costs are included in the costs below so a like for like comparison can be made in respect of that. Running costs are difficult to predict at this time, and once Pathfinder 2 moves forward greater clarity on EV charging unit costs will be available and will enable whole life running costs to be predicted more accurately.

Vehicle Type	**ICE**	**ULEV**	**% Cost Increase**
Car (leased over 60 months)	£4200.00 per annum	£5150.00 per annum (Electric vehicle)	23% increase
Small Van (Leased over 60 months)	£5000.00 per annum	£6100.00 per annum (Electric vehicle)	22% increase
Large Van converted to Building Maintenance specification (Leased over 60 months)	£6800.00 per annum	£9500.00 per annum (Electric Vehicle)	40% increase
Small 5T electric street sweeper (Capital Purchase)	£80K	£235K (Electric)	194% increase
18T HGV with Hooklift for Skips	£115K	£244K (Electric)	112% increase
Refuse Collection Vehicle (26T) Capital Purchase (Approx)	£220K	£400K (Electric) £700K (Hydrogen)	82% Increase 220% Increase

Table 1 Cost Comparison between ICE and ULEV Vehicles

8. Progress to Date

8.1 Grey Fleet and Car Club Business Miles Travelled

During 23/24, grey fleet cost the Council £1,036,212.75 with 2,302,695 miles claimed (45p/mile). Mileage does not include passenger miles claimed (513,565), however is included within cost.

During 23/24 Car Club was utilised for 780,256 miles shown in graph below. Additional to this, 489,789 passenger miles were recorded. Cost to the Council (Enterprise Billing, was £393,289.76 (50p/mile)

Again, passenger miles are not accounted for within mileage for Car Club (to avoid double counting).

Graph excludes HLH Grey Fleet.

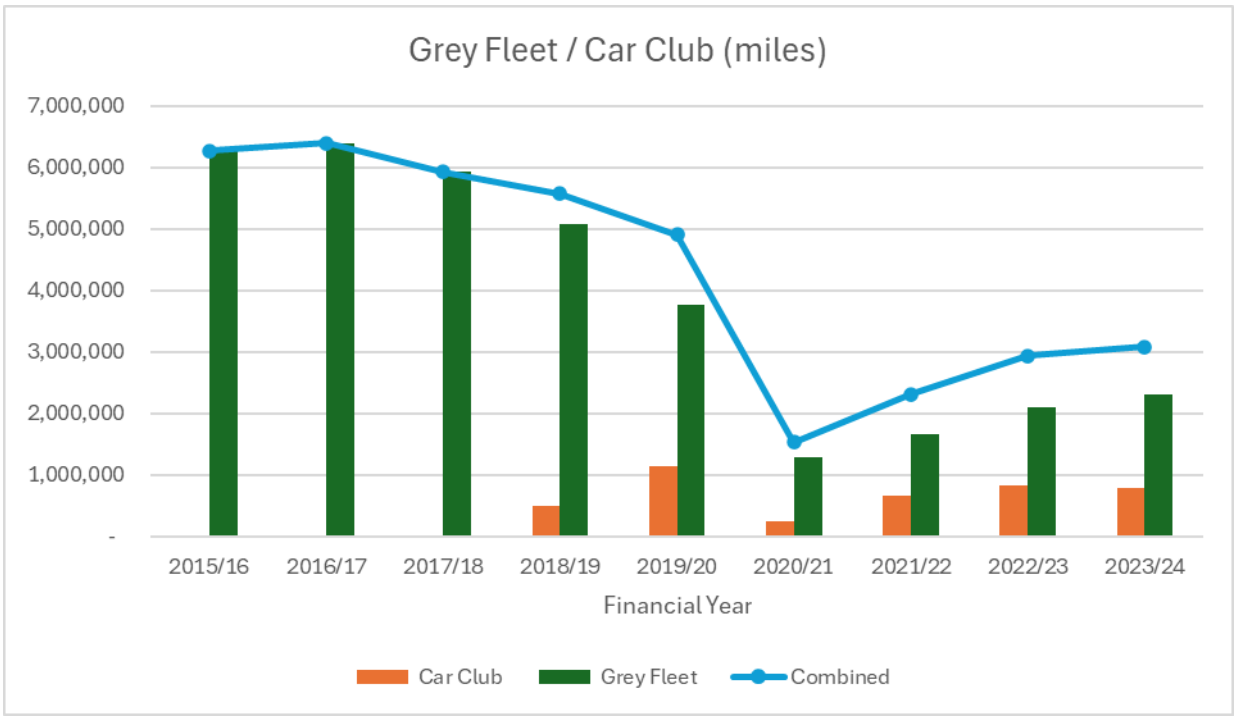


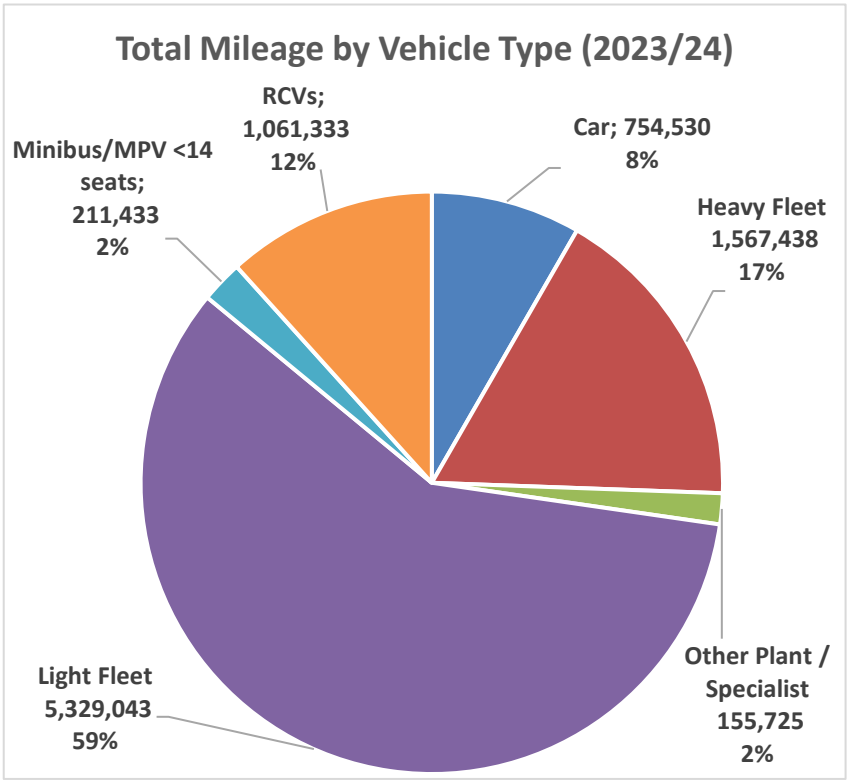
Figure 1 Grey fleet/Car Club Miles Travelled

Car club usage has remained steady, limited by the size of the fleet. Analysis is underway to scope out an increased fleet size based on demand and locality of demand. The fleet of Car club vehicles consists of 22 No. Hybrid, 23 Petrol and 3 Diesel vehicles. As vehicles are replaced, they will be electric where the infrastructure can support that.

Grey fleet miles have increased by 249,193 miles to 2,302,695 miles in year 2023/24 from 2,053,502 in year 2022/23.

8.2 **Highland Council Vehicle Mileage (2023-24)**

In 2023-24 there were 9,079,501 business miles travelled within the Council which shows a drop of 1,047,750 miles from the 10,127,251 miles travelled in the year 2022/23 as shown in figure 2.



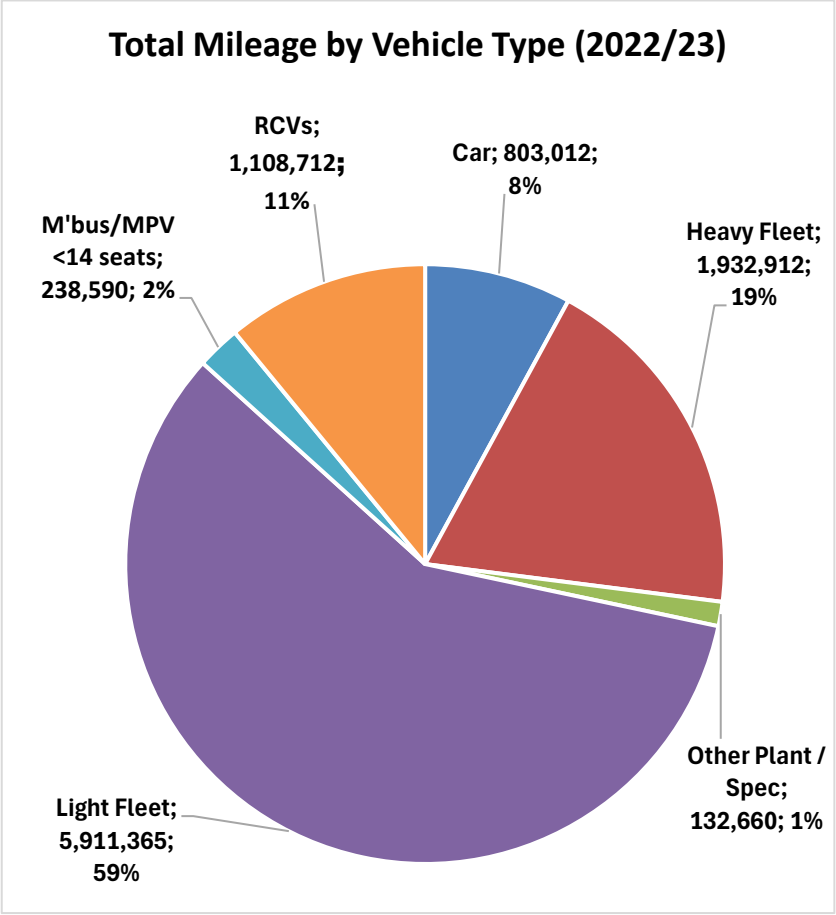


Figure 2: Total mileages by vehicle type

8.3 Other Modes of Travel

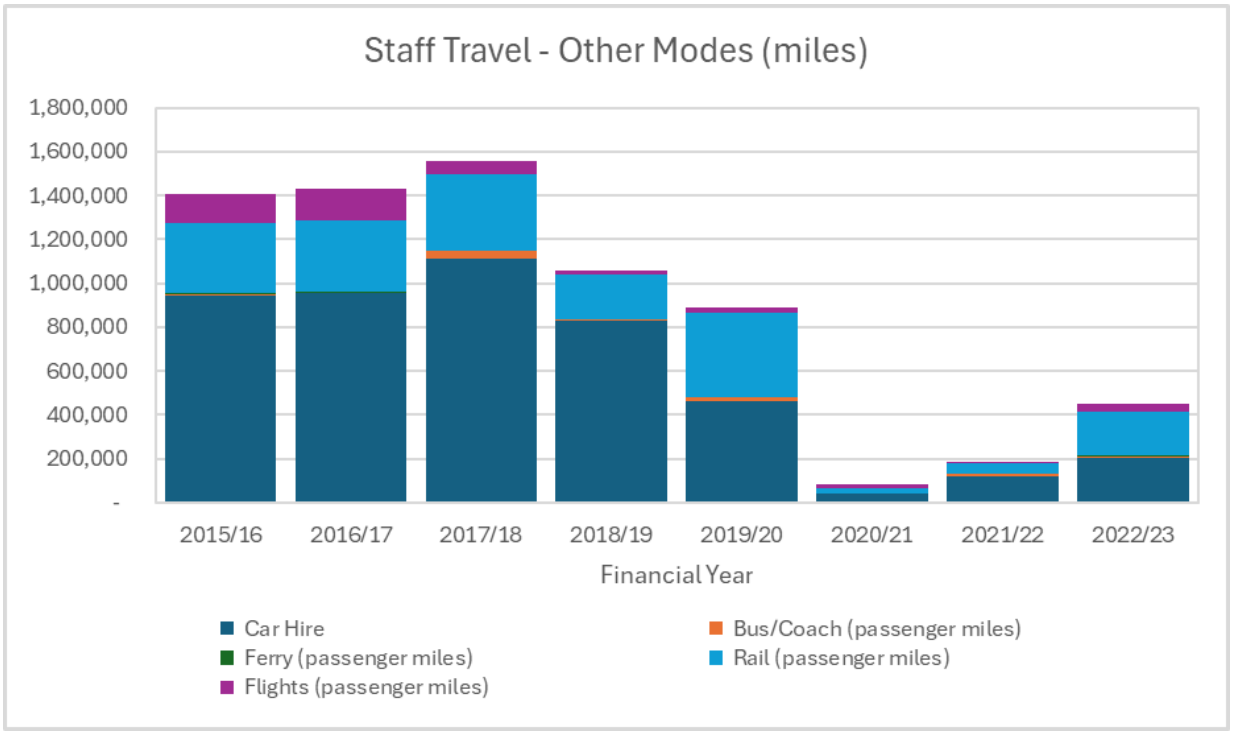


Figure 3: Staff Tavel – Other Modes

Figure 3 shows the significant reduction in travel during and following the pandemic and demonstrates the return to near normal working routines. It also shows in combination with other factors that new ways of working, such as virtual meetings, have had a positive impact on reducing the overall journey miles undertaken by the Council.

8.4 **Composition of the Council Fleet – Fleet Comparison**

	All Fuel Types			of which ULEV (Electric/Hybrid)		
Vehicle Type	**2022**	**2024**	**% Change**	**2022**	**2024**	**% Change**
Car	108	92	**-15%**	78	69	**-12%**
Heavy Fleet	237	214	**-10%**	0	0	**0%**
Light Fleet	585	569	**-3%**	21	18	**-14%**
Minibus/MPV <14 seats	27	23	**-15%**	4	2	**-50%**
Other Plant / Specialist	108	133	**+23%**	0	0	**0%**
RCVs	81	84	**+4%**	0	0	**0%**
Total	1146	1115		103	89	

Table 2: Composition of Highland Council Fleet
Does not include HLH or Bus Ops Project. Excludes hired vehicles.

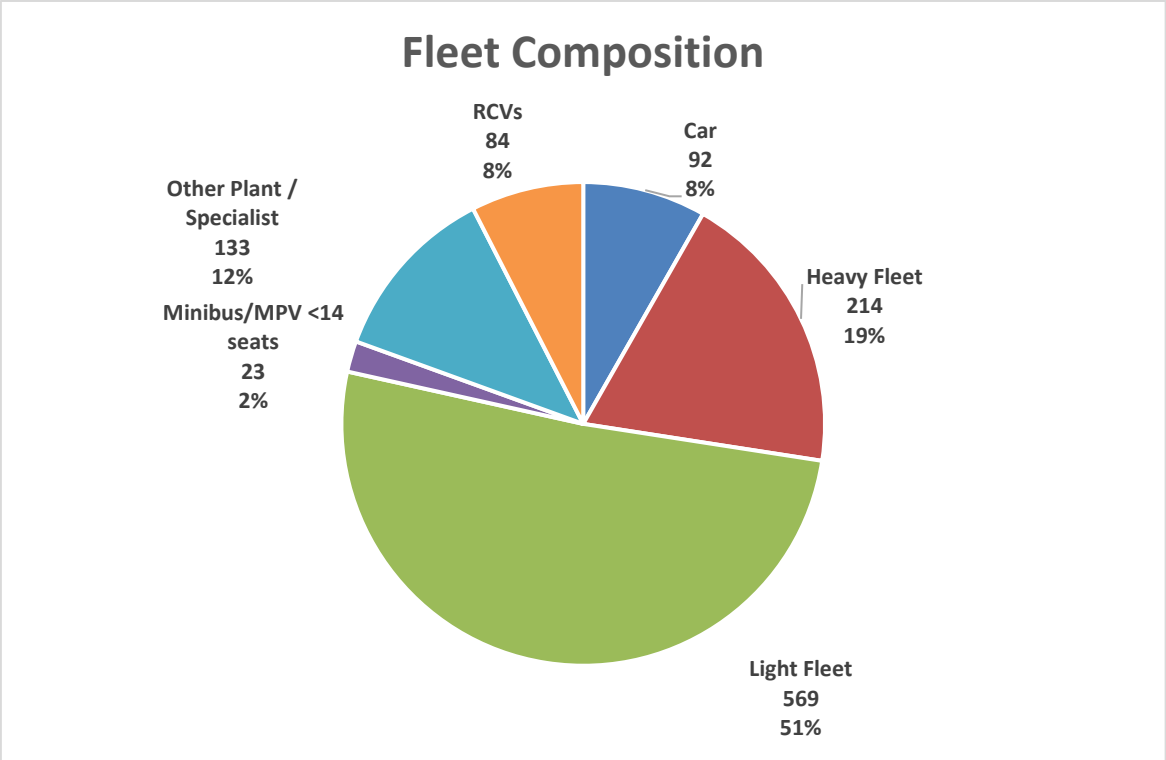


Figure 4: Composition of the HC Fleet

Overall, there has been a slight reduction in the number of electric cars and vans in the fleet due to several circumstances which include:

- A lack of utilisation which meant the lease was not renewed and the vehicle returned to the lease company. The lack of utilisation can be from several factors ranging from lack of charging infrastructure, EV range anxiety through to the vehicle not being required any more as some were taken on during the Covid pandemic for social distancing purposes for various services that required them.

- The vehicle had been funded through government grants. There has been no recent funding, so the vehicles were returned at the end of their lease period.

8.5 Fuel Consumption per Year (Litres)

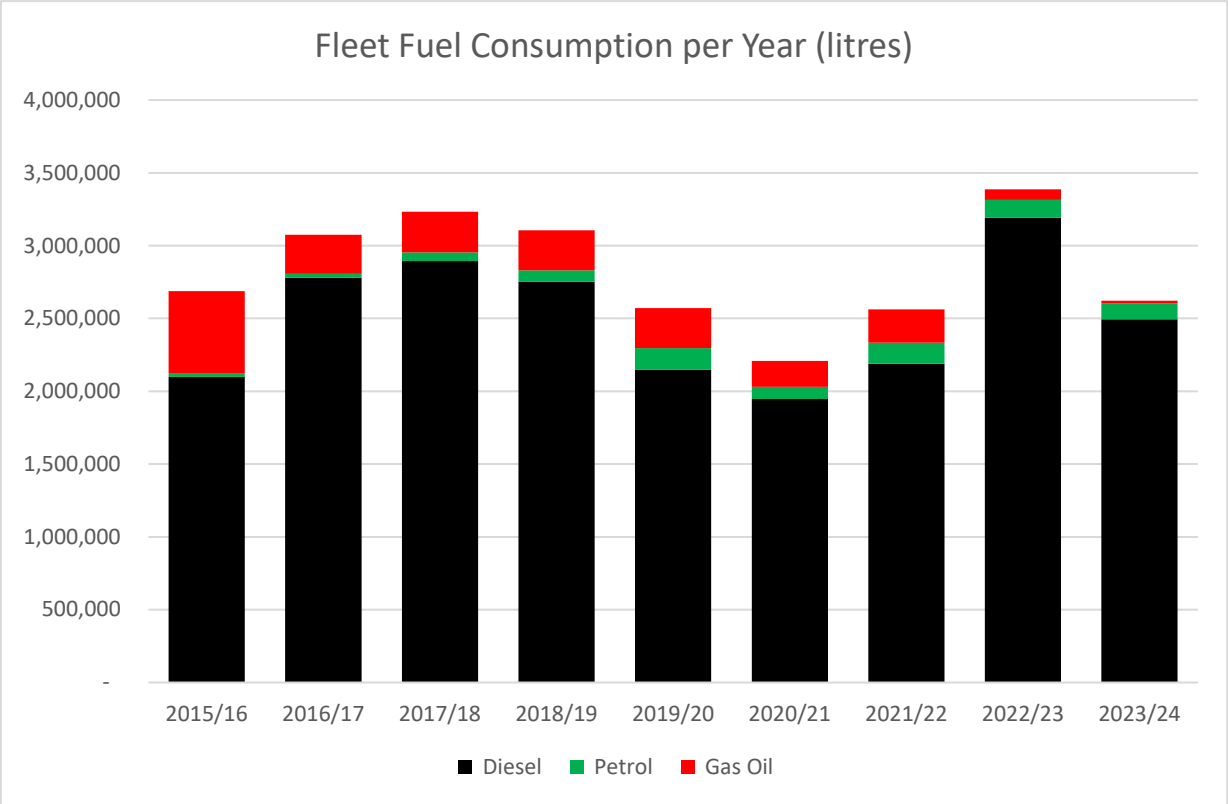


Figure 5: Fleet Fuel Consumption per Year (litres)

Figure 5 shows a reduction in the overall number of litres of fuel used by the Council for 2023/24. This can be attributed to several reasons which include the following:

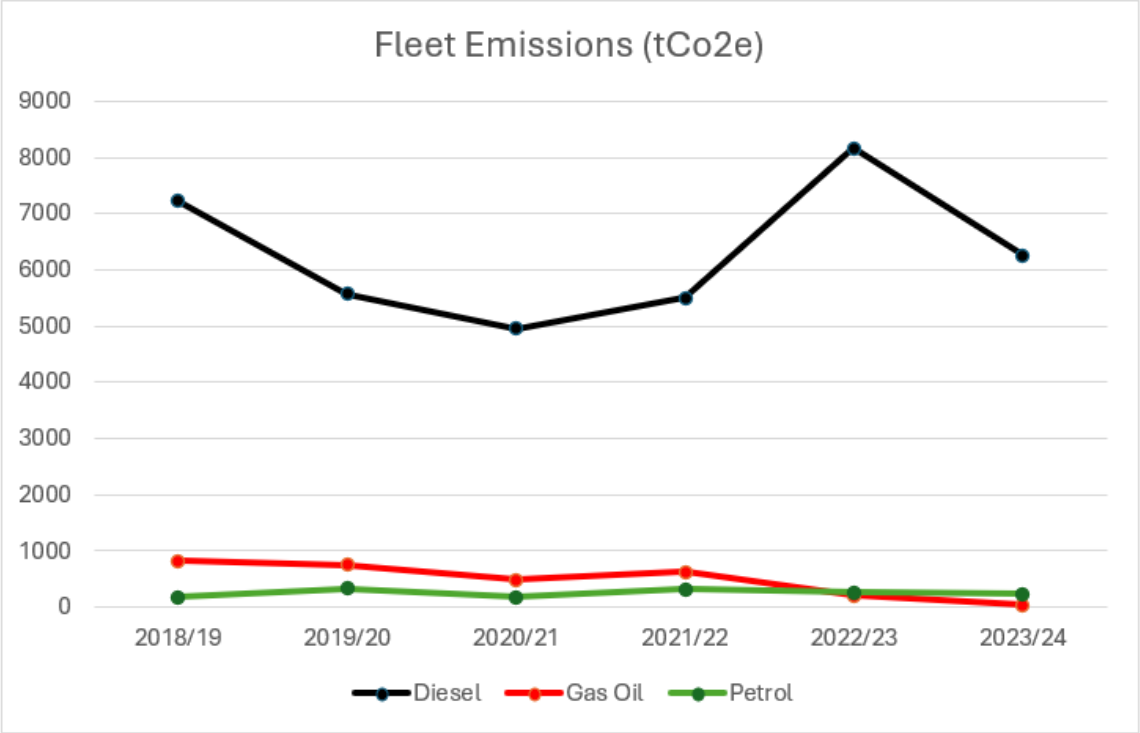
- The reduction of the size of the Council fleet
- The introduction of newer more fuel-efficient vehicles in the light and heavy fleets including hybrid cars
- The reduction in the number of journeys undertaken due to the adoption of the use of virtual meetings

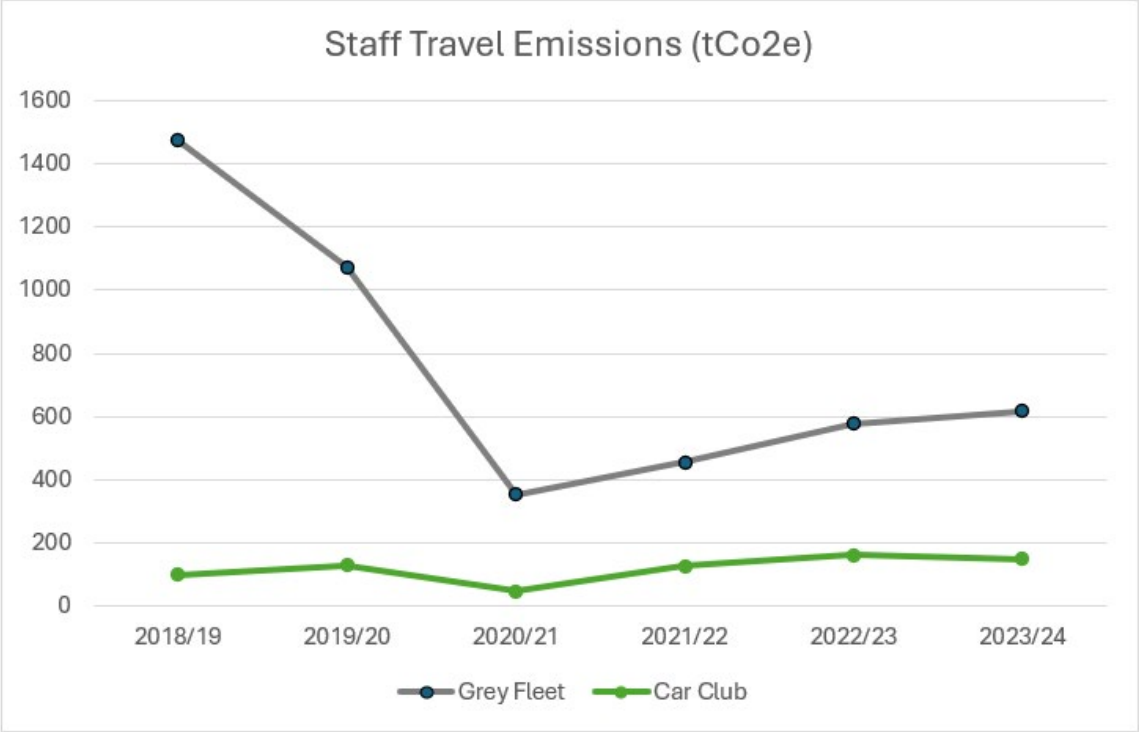
Further analysis is being undertaken to identify the reasons for sustained fuel increase since pre covid.

It should be noted that there has also been a significant reduction in the usage of Gas oil (red diesel). This is due to changes in legislation which prohibits most of the Council vehicles and plant from using Gas Oil. In 2022/2023 there was an increase in the volumes of diesel being used, this can be attributed to the return of normal working practices, the use of diesel instead of gas oil and the use of diesel cars and vans which in the majority have been replaced with petrol hybrid or EV cars or have been removed from the fleet. The increased use of petrol hybrid cars and vans also accounts for the increase in petrol usage between 2022-23 and 2023-24.

8.6 Summary of Emissions

Figures 6 & 7 show the trends in the estimated travel emissions by fuel type used in the Council fleet and the use of Car club and Grey Fleet.
Figure 8 shows the ratio of the total travel emissions by fuel type and mode of travel.





Figures 6 & 7 Emissions Trend Graphs

9. Update to Fleet Replacement Programme

9.1 Table 4 sets out the provisional fleet replacement and transformation programme.

SST Report Definition	Pre 2021	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Car	0	0	1	6	13	1	10	0	45	16	0	0	0
Heavy Fleet	4	0	6	11	15	37	33	24	29	24	11	19	1
Light Fleet	2	0	8	17	113	170	104	25	84	46	0	0	0
Minibus/MPV	0	0	4	1	10	3	0	3	2	0	0	0	0
Other Plant / Specialist	53	3	1	17	4	6	8	3	16	7	7	4	4
RCVs	0	2	2	0	6	7	4	30	20	5	0	8	0
Total	59	5	22	52	161	224	159	85	196	98	18	31	5

Table 4: Provisional fleet replacement programme

9.2 The Pathfinder 2 project will be the route to funding the fleet electric charging infrastructure. It is expected that following a successful bidding exercise, Highland will see the phasing in of significant numbers of installations from 2028.

Getting clarity of the installation programme geographically will enable the fleet replacement and transition programme to be finalised with electric vehicles being procured to synchronise with the infrastructure being installed.

10. Enablers to Transformation

10.1 Pathfinder 2 project

The Councils, Aberdeen City and Shire, Moray and Highland, have a large range of their own operational fleets today spread throughout the Council boundaries and providing the local teams with the correct transport and equipment to enable them to do their jobs effectively.

Details on these fleets have been provided to bidders together with a test case depot study covering two types of location – a general fleet hub with mixed teams and equipment and a waste operations site used by a large group of Refuse Collection Vehicles (Diriebught Road/Lotland Street).

The Private Sector Partner (PSP) is invited to offer as Preferred Developer a Depot EV plan and Business Case covering each site. The Test case response mentioned above will set the standard upon which the PSP will then respond to all Depot opportunities. The Councils have no access to Public grant funding for these locations and seek proposals that do not then require any Council funds to be put on the table but with a convincing Business Case argument that can be reviewed for Best Value.

It is expected that Depot Business Cases include take or pay commitments and have some firm view on the vehicle volumes and mileages needed to enable the economics of this change to EV chargers to make sense to both parties. Once the Business Case is reviewed and agreed through the Steering Board, provision of the infrastructure can then progress.

Bidders will be required to outline their deployment plan so this will guide how quickly these depot hubs could start to be realised. In addition, it will be incumbent on those fleets to be ready with EVs to maximise utilisation from the date of installation of the Chargepoints - this will be crucial to allow business cases to stack up against the inward investment we are hoping for.

It is also hoped that in addition to Council Fleet users of the new proposed Depot Chargers the PSP can supplement these with additional revenues from e.g. local private sector fleets also using the chargers under e.g. an offtake commitment contract.

The overall Depot objective for the Councils is that these can be developed with no Council or grant investment, that the Business Case sets out a clear lower total cost of provision for fleet mileage compared to present and that in the case of additional users in off take that the Council/s are further compensated in the form a profit share.

If after all this an agreement on the Business Case cannot be reached, then the Council reserves the right to seek alternative solutions without the PSP.

Governance arrangements will be set up to manage all aspects of the programme over the 4 Councils. The Assistant Chief Executive, Place, Highland will be the Chair of the steering group. The terms of reference are to be defined, with the first meeting planned for October 2024.

10.2 **Current EV Installations**

26 EV charging units have been commissioned (52 charge points total) across 5 depots in the last 12 months. The depots are: Alness; Craig Road, Dingwall; Lotland St, Inverness; Diriebught Road, Inverness and Carrs Corner, Fort William.

Both 22kW and 7kW units have been deployed across these sites.

These depots were based upon usage and demand for EV chargers for our fleet. The infrastructure was externally funded by Switched on Fleets funding across multiple funding years.

In the year 2023/24 the usage within the Council depot charging points was 2214.15kWh over 104 charging sessions.

10.3 **Hydrogen**

The development of green hydrogen for transport is a key component of the Highland Council's net zero strategy, as outlined in the 2023 Sustainable Transport Approach report. Initial funding through the Hydrogen Allocation Round 1 (HAR1) is expected to make hydrogen fuel available by 2027, with further expansion in 2028 and 2029, pending successful HAR2 applications. This aligns with the Council's objectives to reduce carbon emissions and promote alternative fuels. Ongoing collaborations with developers are focused on creating off-take agreements and vehicle supply models, crucial steps in building the region’s hydrogen transport ecosystem. Additionally, a commitment from a local business to develop hydrogen refuelling stations, with the potential for small-scale on-site production at depots, supports the infrastructure development highlighted in the report.

Despite challenges related to vehicle procurement lead times, the availability of hydrogen fuel in key areas will allow for the exploration of accelerated procurement models, consistent with the report's emphasis on adaptability and innovation. The Council's approach, which balances immediate challenges with long-term opportunities, aims to position the Highlands as a leader in sustainable transport. By integrating vehicle supply, fuelling infrastructure, and green hydrogen production, the strategy supports both the Council’s carbon reduction goals and the broader development of a sustainable transport network in the region.

10.4 **Trial of E-Cargo Bikes**

As part of our approach to fleet decarbonisation, the Council has been participating in an E-cargo bike pilot scheme for business travel. A paper was presented to the Climate Change Committee on 16 March 2023 outlining the scheme, objectives and responsibilities.

Several teams have participated to date since the pilot launched in April 2023:

- Inverness Amenities Team
- Inverness Roads Team
- Fort William Child Health Team
- Highland Archive Service
- Environmental Health Team
- Roads and Infrastructure

A range of benefits have been reported including reduced travel time, reduced vehicle usage, and health and wellbeing benefits. Initial feedback has suggested that e-bikes would be preferrable for some of the teams that have participated to date. Further analysis is required to determine requirements across the organisation.

The pilot has been resource intensive with challenges around storage of the bikes and the charging/storage of batteries. An additional barrier is around insurance with staff only permitted to use the bikes for work related purposes with commuting excluded. It should be noted that these challenges are not unique to Highland, with other local authorities highlighting the same issues which are having a significant impact on the success of e-cargo bike schemes. Servicing and maintenance of e-bikes and e-cargo bikes also needs to be addressed.

10.5 **Review of Travel and Subsistence Policy**

The Travel and Subsistence policy is being updated to include the travel hierarchy diagram, and reference to sustainable business travel and the climate change ambitions of the Council, as well as statutory reporting on emissions.

The rates applied to travel and subsistence are not being reviewed.

11. Action Plan Update

11.1 **Appendix 1** sets out the action plan as approved by the Communities and Place Committee in August 2023, progress made through 2023/24 and review/completion dates going forward.

Designation: Assistant Chief Executive, Place

Date: 5 September 2024

Author: Caroline Campbell, Head of Community Operations and Logistics
Andrew Hunter, Service Lead - Transport and Logistics
Andrew Morgan, Climate Change Co-Ordinator

Background Papers:
https://www.highland.gov.uk/download/meetings/id/82045/9_approach_to_sustainable_business_travel

Appendix 1

Update to Action Plan to 2023 - 2030.

Theme 1: Reduce through behaviour change					
	Objectives	**Responsible**	**Due/Review Date**	**August 2024 Update**	**Due/Review Date**
1.1	**Employee Modal Shift** Reduce miles travelled and need for transport by providing training, communications, and ongoing engagement with the Sustainable Travel Hierarchy. a) Continue the New Ways of Working (NWOW) approach and promote remote working technologies. b) Encourage staff to choose the most sustainable travel option by providing incentives such as pool ebikes / bikes.	All Services with CCET/ Fleet support	Annual report to strategic committees	a) Reduction in travel has been evidenced during 2023/24. The Approach to Sustainable Business Travel has been integrated throughout the draft review of the Travel and Subsistence policy. The travel hierarchy structure has also been included. It is expected that claimants and authorisers must demonstrate that the principles of the travel hierarchy have been applied in relation to booking of travel. b) The trial of e-cargo bikes continues and has highlighted some issues that need to be resolved. Feedback has suggested that e-bikes are preferable to e-cargo bikes.	September 2025 Ongoing March 2025

	c) Continue cycle to work scheme.			c) The promotion of active travel whilst carrying out Council business continues. It is expected that a survey planned for 2024/25 on active travel for commuting to work can be expanded to include active travel at work.	
1.2	**Driver Behaviours** a) Reduce mileage and emissions by providing policies, procedures, and training opportunities to ensure drivers understand their responsibilities in relation to their vehicles and driving behaviours. b) Quarterly telematics reports to Service managers highlighting areas for improvement.	All Services with CCET/Fleet support	March 2024	a) The driver handbook and fleet policy document are being reviewed and updated. The Approach to Sustainable Business Travel will be integrated throughout the policy document. b) Managers have access to telematic system and reports are issued especially in relation to driver behaviour, harsh braking and acceleration, and speeding for example. Driver assessment is carried out where appropriate.	November 2024 Ongoing
1.3	**Service Level Targets** a) Support Services with setting and monitoring carbon budget and annual targets to reduce travel, fuel consumption and emissions by all methods.	All Services with NZWG and fleet support	April 2024	a) Embedded in the Net Zero, Energy and Investment Innovation portfolio, carbon budget and emission reduction targets will be approved for all Services by December 2024.	December 2024

	b) Agree Service fleet requirements with ECOs	All Services with Fleet support	March 2024	b) Ongoing	Ongoing
1.4	**Communications** a) Ensure Services are aware of their fleet replacement dates and when their vehicles will be rationalised or replaced with ULEV.	Fleet Service	Quarterly reporting	a) Services are made aware of replacement timescales for leased vehicles. Usage reports are produced to enable decision making on the replacement of a vehicle: • mile travelled • usage pattern • range/route travelled • is electric a viable alternative, depending on local charging infrastructure	Quarterly reporting on going
	b) Develop policy and guidance around use of the charging infrastructure for both Council private network and public network.	CCET/Fleet Service	March 2024	b) Action carried forward due to post being vacant.	March 2025

Theme 2: Rationalise and renew the light fleet					
	Objectives	**Responsible**	**Due/Revue Date**	**August 2024 Update**	
2.1	**Fleet Rationalisation** Review Council fleet and rationalise: a) Rationalise additional vehicles acquired in	SLT/NZWG/ Fleet service	2023 Q1	a) Complete	

	response to the Covid pandemic. b) Implement criteria and policy for a further 20% rationalisation or vehicle downsizing (benchmark 2019).		Annually (from 2023)	b) During 2023/24 the fleet size reduced from 1146 to 1115. Criteria for new or replacement vehicles include: • Usage reports are produced to enable decision making on the replacement of a vehicle: • mile travelled • usage pattern • range/route travelled • is electric a viable alternative, depending on local charging infrastructure	Ongoing
2.2	**Fleet ULEV Replacement** a) Continue to implement a prioritised fleet replacement programme to transition the light fleet to ULEV, including full electric EV and hybrid technology.	Fleet Service	Annually (from 2023)	a) Where the typical journeys undertaken are of a distance suitable for EV and charging facilities are available in the depot the default replacement for a car or small van is EV. Some larger vans fall into this category too.	Ongoing
	b) Agree standardised vehicles across region. Research the market for ULEV alternatives.		September 2023	b) We have standard specifications for all the light fleet. The type and	Complete

				manufacturer can depend on availability and cost at the time of procurement.	
	c) For each potential procurement, review whole life cost model and lease period, in liaison with Finance Manager to provide a value for money assessment along with an assessment of carbon emissions from ULEV and other fuel type vehicles. Replacements will be subject to adequate budget being available.		Ongoing	c) Whole life costs are reviewed for replacement or new vehicles whether it be EV or ICE.	Ongoing
2.3	**Fleet EV Charging Infrastructure** Develop and implement an installation programme for charging infrastructure that corresponds with the fleet transition, at Council depots, offices, public buildings, and home charge points. This will be subject to adequate funding (internal or external) being available. Facilitated by the Pathfinder project.	CCET /Procurement Fleet Service	Ongoing through 2027	26 EV charging units have been commissioned (52 charge points total) across 5 depots in the last 12 months. The depots are: Alness; Craig Road, Dingwall; Lotland St, Inverness; Diriebught Road, Inverness and Carrs Corner, Fort William. Both 22kW and 7kW units have been deployed across these sites. An implementation plan covering Highland, Moray, Aberdeenshire and Aberdeen City Councils will be developed. Highland can	Ongoing. Phasing in of significant numbers of installations from 2028

				expect to see significant numbers of installations from 2028. Governance arrangements will be set up to manage all aspects of the programme over the 4 Councils. The Assistant Chief Executive, Place, Highland is Chair of the Strategic group.	
2.4	**Establish Infrastructure Funding Model** a) Review current procurement model. b) Identify and utilise external funding opportunities for fleet renewal and associated infrastructure. c) Investigate private sector funding opportunities for fleet infrastructure, through pathfinder project. d) Electric vehicle charging infrastructure installation	Procurement/Fleet/ Finance Service Procurement/Fleet/ Finance Service/CCET Procurement/Fleet/ Finance Service/CCET Procurement/Fleet Service/CCET	Ongoing	a) For each procurement exercise the market is tested for the optimum finance model. b,c,d) The Pathfinder 2 project will be the route to funding the fleet electric charging infrastructure. It is expected that following a successful bidding exercise, Highland will see significant numbers of installations from 2028.	Ongoing Ongoing

2.5	**Infrastructure Collaboration** Investigate collaborating with other organisations on charging infrastructure, sharing assets where possible. Building partnerships that deliver to help accelerate the wider Highland climate change agenda. Facilitated by the Pathfinder project.	Fleet Service, other partners as appropriate, e.g. NHS etc	Ongoing	Our Future Highland: Delivery Plan 2024-2027 states a commitment to Reconfigure our Asset Base through the development of a Highland Investment Plan and the configuration of a single public estate include partners. As well as sharing office space, this will create an opportunity to review and optimise/share fleets and fleet infrastructure, including EV charging at sites.	Ongoing
2.6	**Grey fleet and casual car hire policy** a) Review policy on grey fleet use and casual car vehicle hire. (b) Consider whether non ULEV cars can be used for Council business and consider reducing or stopping mileage rates for non ULEV cars from 2025	HR Service / Fleet service	April 2024 April 2024	a) Grey fleet, hire vehicles and car club are referenced in the draft review of the Travel and Subsistence policy. The development of a specific policy relating to this has been delayed due to staff vacancies. b) The widespread availability of ULEV and charging network will influence this policy decision. The Pathfinder 2 project will be the route to funding the fleet electric charging infrastructure. It is expected that following a successful bidding exercise, Highland will see the phasing in	March 2025 2028

				of significant numbers of installations from 2028.	

Theme 3: Investigate and develop low emission approach for the Heavy Fleet					
	Objectives	**Responsible**	**Due/Review Date**	**August 2024 Update**	
3.1	**Fleet assessment, route optimisation and rationalisation.** All LGVs include telematics as part of specification, which provides data allowing for: a) Analysis of LGV utilisation and requirements. b) Identification of possible vehicles for downsizing or rationalisation. c) Reduction in mileage and number of vehicles through route optimisation: • Waste – RCV route optimisation reduces mileage and emissions. Optimisation allows for addition future housing to	All Services / NZWG / Fleet Service	Ongoing	a) Managers have access to telematics to review and monitor vehicle activity. b) Vehicle utilisation is reviewed when considering vehicle replacement programme. c) Waste route optimisation determines effective use of their fleet. The roads design project is considering the winter routing.	Ongoing Ongoing Ongoing

	be serviced by current fleet size. • Winter fleet – Reconsider existing route boundaries and multi-use vehicles.				
3.2	**Vehicle Improvements** a) Continue to reduce emissions through installation of electric tail lifts on RCVs. b) Continue to introduce fully electric street sweepers (Green machines). c) Invest in vehicle technology improvements. Eg. GPS technology to optimise gritting requirements on winter fleet offering cost and carbon savings.	Fleet Service	Ongoing	a) Electric tail lifts are standard specification of new builds in the RCV fleet. b) Wherever possible small street sweepers will be replaced with ULEV variants. 1 of the 11 street sweepers is EV, based in Rose Street car park. Infrastructure and costs are the limiting factor currently. c) Route optimisation is already in place within the waste team and has allowed routes to become more efficient. Route optimisation and the use of GPS controlled salt spreaders have been trialled in the Roads winter maintenance operation and is being included within the scope of the roads redesign project.	Ongoing Ongoing Ongoing
3.3	**Vehicle Trials** a) Identify possible funding streams or partners to support ULEV LGV trials.	NZWG / Fleet service	Ongoing	a) A monthly review of possible funding source using My Grant Finder website, is undertaken.	Ongoing

				Nothing has been identified as suitable for this work. Trials are arranged directly with manufacturers these have included trials of fully electric refuse vehicles, electric mini excavators, small electric road sweepers, electric salt spreader.	
	b) Trial low emission LGVs in urban areas, including: • Low emission RCV. Gain confidence and assess the feasible range and possible routes. • Other urban area vehicles eg. electric excavator and dumper, E-transits, electric pavement gritter.		Ongoing	b) We have completed a demonstration of a fully EV Refuse Collection vehicle in Inverness. The initial feedback was generally positive but new higher power charging infrastructure would be required. We also undertook a trail of a fully electric salt spreader which was mounted on an ICE lorry. This trail went very well, and this type of salt spreader will be considered for urban routes going forward. Various other electric items of plant such as mini excavators have been trailed with varying results. We will continue to trail various items of vehicle and plant in EV format going forward.	Ongoing
	c) Engage with suppliers/partners to investigate and trial		Ongoing	c) We will engage with suppliers and partners to trial alternative	Ongoing

	alternative fuel LGVs (HVO, hydrogen). This is dependent on vehicle availability and fuel supply. With support from Aberdeen City Council, investigate retrofit of hydrogen fuel tanks to Highland Council vehicles.			fuel LGVs going forward. Regarding the use of hydrogen this is some way off as at present there is no fuel supply available and none of the workshops are equipped to deal with Hydrogen powered vehicles. This would mean all Hydrogen vehicles would have to be maintained and inspected using external contractors which will incur additional costs.	
3.4	**Identify preferred alternative fuel type and refuelling infrastructure requirements** a) Research the market and identify preferred ULEV alternatives for each vehicle type. Due to geographical and supply constraints of the Highland region, in many cases electric or hydrogen may not be possible and ICE vehicles may be required in the long term. b) Assess hydrogen demand and refuelling requirements and potential supply and/or generation.	NZWG / Fleet Service	Ongoing December 2023	a) Market research is ongoing as is information gathering at fleet forums. b) Ongoing – revised target date March 2025	Ongoing Ongoing

	c) Assess number, size, and type of charge points. Investigate renewable sources of energy for EV charging.		December 2023	c) Data gathering on requirements has been carried out as part of the preparation for the Pathfinder 2 project going to market. This will be reviewed regularly as vehicle types are assessed ahead of each procurement exercise.	Ongoing
3.5	**Heavy Fleet ULEV Replacement** a) Agree standardised vehicles across region.	Fleet service	March 2024	a) Base specification for all types of heavy fleet established. It will need revising as technology progresses in ULEV heavy fleet availability.	Ongoing
	b) Develop and implement a replacement programme for replacement or conversion of LGV to ULEV.		September 2023	b) Programme developed based on current knowledge of the timescale of the Pathfinder 2 project.	Ongoing
	c) For each potential procurement, review whole life cost model and lease period, in liaison with Finance Manager to provide a value for money assessment along with an assessment of carbon emissions from ULEV and other fuel type vehicles.		Ongoing	c) Each procurement is market tested to demonstrate best value for money in product type as well as finance model.	Ongoing

3.6	**Establish Infrastructure Funding Model** a) Investigate private sector funding opportunities for fleet infrastructure, through the fleet pathfinder project.	Procurement/NZWG / Fleet service	April 2024	a) Pathfinder 2 is the model that will deliver the expansion of the EV infrastructure. Monthly review of My Grant Finder website to identify any funding opportunities that could be available to decarbonise fleet.	a) Ongoing
	b) Council budget for infrastructure installation will be confirmed.	Resource & Finance Service	September 2023	b). No budget was allocated in the Capital Programme Review – General Fund paper that was presented to Council on 14 September 2023. Appendix C Capital Programme Review 2024/25 - 2028/29 New Projects and Additional Requests for Existing Projects - No Recommendation at this time – included reference to budget for fleet transition: Heavy Fleet Decarbonisation £8.8m Decarb Fleet - Depot Alterations £3m EV infrastructure 5.7m It is therefore critical that the Pathfinder 2 project is successful in delivering its objective of appointing a commercial partner	b) Closed

				to deliver the infrastructure needed for the fleet to transition.	
3.7	**Infrastructure Collaboration** a) Continue to investigate and develop partnerships with other local authorities, commercial operators, and fuel providers. This includes taking a joint approach to procurement with partner organisations through our shared procurement service with Aberdeen City and Aberdeenshire Councils b) Investigate collaborating with other organisations on charging infrastructure, sharing assets where possible. Building partnerships that deliver to help accelerate the wider Highland climate change agenda.	Fleet Service, other partners as appropriate, i.e. NHS etc	Ongoing Ongoing	a) Pathfinder 2 is the model that will deliver the expansion of the EV infrastructure in collaboration with other Council partners. b) Our Future Highland: Delivery Plan 2024-2027 states a commitment to Reconfigure our Asset Base through the development of a Highland Investment Plan and the configuration of a single public estate include partners. As well as sharing office space, this will create an opportunity to review and optimise/share fleets and fleet infrastructure, including EV charging at sites.	Ongoing Ongoing

Theme 4: Building Resilience into the Council's travel projects, guidance, and policies.		

	Objectives	Responsible	Due/Review Date	August 2024 Update	Due/Review Date
4.1	Assist with the development of the Council's Local Climate Impact Profile. a) Provide data and information on how the service has been impacted by weather events.	Climate Change Coordinator (Adaptation) / Fleet Service	December 2023	A Climate Change Coordinator leading on this workstream was appointed in April 2024.	March 2025
4.2	Review guidance for officers a) Winter Travel Policy b) Adverse Weather c) Management of Occupational Road Risk d) Adverse Weather Guidance	Fleet Service / Occupational Health and Safety.	December 2023	Ongoing vacancies in the Occupational Health, Safety and Wellbeing team has resulted in this action being reprofiled to December 2024.	December 2024

Appendix 2 Pathfinder Project Plan

North of Scotland EV Charging Infrastructure Partnership

Opportunity Headlines

Core Network Provision

Take over existing revenue-generating network

Right to operate a network of 312 operational Charge Place Scotland chargers in the North of Scotland, generating annual revenue of £1.55m on current below-market tariffs *(year to May*

Pathfinder 1

Network expansion with grant funding

Access to up to £6.58m of Transport Scotland grant funding to expand the network by over 500 chargers

Commercial Growth Opportunity

Preferential access to council land to support commercial network growth

Right of First Refusal on Council-owned sites (including high-traffic "Gilt-edged Sites") to maximise commercial development of the

Pathfinder 2

EV charging for Council depots and fleets

Opportunities to develop EV charging infrastructure at Council-owned depots to support our objectives for fleet decarbonisation

15-20 year contract

Commercial network growth

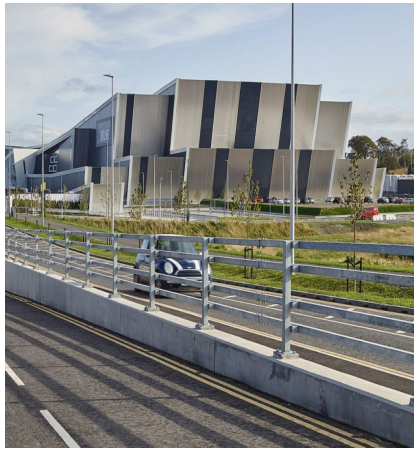
Using Council-owned sites as platform for growth

Privileged site access rights

- PSP will have Right of First Refusal on commercial development of Council-owned sites for public EV charging
- No additional costs (e.g. site rental) beyond general contract fee and revenue sharing provisions
- Councils open to commercial proposals for EV charging development on any Council-owned land

Gilt-Edged Sites (GES)

- High-traffic and strategic Council-owned locations lacking existing EV charging provision, with significant commercial potential
- 43 initial GES identified in Asset Register across region
- Key examples: TECA, Old Man of Storr, Ben Nevis Visitor Centre, Moray Growth deal sites
- Bidders can secure commitment to GES by



Other Council Assets

Public Sector Electricity Framework

- The Councils have access to a centrally-procured electricity supply fra mework with EDF
- The Councils are seeking opportunities to give the PSP access to attractive rates available through the framework

Wider Commercial Opportunities

- Advertising
- Branding / co-branding deals

Commercial Growth Opportunity

Pathfinder 2: EV charging for Council depots and fleets

Transition to EV for Depots and Fleets

Councils' Depot and Fleet Electrification Objectives

- All new cars and vans to be zero emission by 2035, HGVs by 2040 (UK Government)
- A target of 75% reduction in greenhouse gas emissions by 2030, net zero by 2045 (Scottish Government)

Commercial Depot and Fleet Opportunities

- The Councils own a range of fleet depots and office sites which they are willing to make available to the PSP to support the installation of EV chargers
- The Councils' combined fleet is significant and has the potential to offer a consistent and predictable level of utilisation and income for the PSP
- Opportunities to open up use of depot/office-based chargers for use by other public and private sector fleets, or even for public use in certain circumstances

Contract Requirements / Rights related to Depots

Development of depot projects

- The PSP and Councils will work in partnership to develop charger installation projects at Council depots on a Right of First Refusal basis
- Any payments / revenue share related to depot projects will be managed separately from the public charger network operated/developed by the PSP

Bidding requirements

- Councils will want to understand Bidders' capability and experience in the planning, development and delivery of depot/fleet electrification projects
- The Councils are currently assessing options for including depots in the evaluation of bid price, e.g. requiring a fixed gross margin (% or p/kWh) for electricity supply at depots

Depots – Potential investment requirement

	Maximum Scenario							
	Vehicles	Total Charge Points	7kW	22kW	50kW	kWh	kVA	Cost (2022)
Aberdeen City	547	160	4	111	45	3,238,703	9,538	£ 3,993,220
Aberdeenshire	765	291	84	122	85	9,767,631	15,316	£ 7,355,436
Highland Council	1056	396	187	119	90	7,164,668	17,067	£ 8,256,622
Total	2368	847	275	352	220	20,171,002	41,921	£ 19,605,278

Approach to Procurement

Pathfinder Project

Competitive Dialogue

- Collaboration – Council and Bidders working together to reach shared understanding of what a "comprehensive North of Scotland EV network" looks like
- Flexible and dynamic process
- Agreed set of contractual/technical documents by the end of the process - no surprises in the Final Tender.

Transport Scotland EVIF Grant Funding Conditions

- Lever private sector investment in EV Charging Networks
- CPS Existing Infrastructure transitioned by 31 December 2025
- Grant spend by 31 March 2028

Phase	Activity	Timescale	Duration
SPD selection of Bidders	Publication of Contract Notice	Friday 31 May 2024	6 weeks
	Bidders Day	19 June 2024	
	SPD Clarifications Deadline	Friday 05 July 2024	
	SPD Submission Deadline	Friday 12 July 2024	
	SPD Evaluation Complete & Councils Approvals	Friday 02 August 2024	3 weeks
Competitive Dialogue	Invitation to Participate in Dialogue Issued	Friday 09 Aug 2024	19 weeks
	Dialogue Period Commences	Monday 12 August 2024	
	Initial Meeting with Bidders to provide overview of the Procurement	Week of 12th August 2024	
	Dialogue closes	Friday 20 December 2024	
Final Tender Submission and Evaluation	Final Tender Submission	Friday 24 January 2025	4 weeks
	Final Tender Evaluation Period & Council Approvals	Monday 27 Jan – Friday 7 Mar 2025	6 weeks
	Preferred Bidder Announcement	Monday 10 March 2025	
	Contract Award	Friday 04 April 2025	4 weeks