

The Highland Council

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| Agenda Item | 9 |
| Report No | CP/21/23 |

Committee: Communities and Place

Date: 31 August 2023

Report Title: Approach to Sustainable Business Travel

Report By: Executive Chief Officer Communities and Place

1. Purpose/Executive Summary

1.1 This report 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.

1.2 Business travel covers all the different ways staff and Members travel to undertake out their roles on behalf of the Council. This can be in vehicles provided by the Council such as refuse collection vehicles, gritters, vans, 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.

1.3 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.

2. Recommendations

2.1 Members are asked to:

- Note** that this report and Action Plan support the Council's Net Zero; Strategy approved at The Highland Council on 29 June 2023;
- Consider** the contents of this report;
- Agree** the Sustainable Business Travel Action Plan; and
- Note** the annual review of the Action Plan and reporting of progress as outlined at 7.2.

3. Implications

- 3.1 **Resource:** The long-term gains of taking a climate-first approach often come with high additional upfront costs. As reported to The Highland Council on 29 June 2023 (Agenda Item 14) Councils need to align their investments with the decarbonisation of infrastructure, fleet, heat technology and buildings and help with skills and project development to keep pace with the net zero agenda. Investing at this point will avoid the Council facing far greater additional costs in the future. Several public and private funding streams are contingent on a just transition to a net zero economy. Therefore, there is significant potential for the Council to leverage public and private investment to meet our climate change ambitions.

Specific to fleet, there are many changes to be implemented across the entire fleet including vehicle replacement, charging/refuelling infrastructure, as well as driver and mechanic training, policies and guidance. The projected capital cost of ULEV replacements is currently higher than the internal combustion engine equivalent, and the capital cost of re-fuelling or charging infrastructure is also significant.

The introduction and maintenance of charging units and/or hydrogen refuelling bunkers to support ULEV would create a budget pressure. At present, hydrogen is not commercially available in Highland. 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. Modern fuel-efficient vehicles and plant produce less harmful emissions helping to improve air quality across Highland.
- 3.3 **Community (Equality, Poverty and Rural):** A more environmentally friendly fleet will result in better air quality for our communities. Utilising and developing the EV public network with anchor demand from fleet vehicles will help support a sustainable model which will benefit our communities, tourists, and business travellers.
- 3.4 **Climate Change/Carbon Clever:** The report aligns with and supports the Council's Net Zero Strategy, approved by Council on 29 June 2023.
- 3.5 **Risk:** The actions in the report will assist the Council with supporting its ambitions to meet its climate and ecological targets.
- 3.6 **Health and Safety** (risks arising from changes to plant, equipment, processes, or people) Training will be provided for relevant staff including mechanics and drivers of new types of vehicles and technology.

3.7 **Gaelic:** There are no Gaelic implications arising from this report.

4. Background

4.1 The Climate Change (Scotland) Act 2009¹ and the subsequent Climate Change (Emissions Reduction Targets) (Scotland) Act 2019² (“the Act”) introduced binding targets and legislation to reduce Scotland’s emissions by 75% by 2030, and to end Scotland’s contribution to climate change no later than 2045.

4.2 The Highland Council declared a climate and ecological emergency on 9 May 2019 in recognition of the serious and accelerating changes to the world caused by climate change. In so doing, Members recommitted to achieving a carbon neutral Highland by 2025, and in 2022 established the Climate Change Committee to oversee and expedite the shift to a Net Zero future.

4.3 The transport sector is currently the greatest contributor to harmful climate emissions in Scotland. The Scottish Government has made the commitment to work with public bodies to:

- Reduce car kilometres by 20% by 2030;
- Phase out the need for all petrol and diesel cars and light commercial vehicles from the public sector fleet by 2025;
and
- Phase out the need for all new petrol and diesel vehicles in Scotland's public sector fleet by 2030.

4.4 Business travel refers to all modes of transport used by staff and Members when delivering Council services. This includes, but not limited to, Council vehicles such as refuse collection vehicles, winter maintenance fleet, vans, public transport, car club and staff and Members using their own vehicle on Council business. Business travel does not include commuting miles.

4.5 Balancing with the delivery of services to our communities, the most effective way to reduce emissions is to reduce travelling and this forms part of the approach, along with the need to use less carbon intensive modes of travel where travel is required.

4.6 To facilitate the move towards these targets, the Council established an officer led sustainable travel project team. This is a joint project between the Transport and Logistics team in Communities and Place and the Climate Change and Energy Team. Service representatives also attend the group as required.

5. Progress to Date

5.1 The use of the Travel Hierarchy to reduce the number and impact of journeys is an important consideration for the Council as it moves towards a carbon neutral Highland. The Council applies the Energy Saving Trust model which promotes Digital First and active travel as the most sustainable ways to reduce emissions, with air travel being the least sustainable method of travel.

5.2 The Council has already made progress on decarbonising business travel, with changes in the way we work through various Council policies such as New Ways of

Working (NWOW), the use of the Council Car Club, the introduction of ULEV within the light fleet and electric components in some vehicles, such as electric bin lift mechanisms in refuse collection vehicles (RCV), and electric street sweepers.

- 5.3 The use of an electric bin lift mechanism provides a practically silent operation and reduces fuel consumption by around 9%. Each lift provides a potential reduced carbon footprint annually of around 3.5 tCO₂e (3500kg) when measured against traditional fuel operated lifts.
- 5.4 The use of route optimisation software delivers more efficient and balanced waste and recycling collection routes. The software has been used to optimise existing collections routes, this includes the completion and introduction of a route change to the whole of Badenoch and Strathspey in 2022/23. Importantly the software is also being used to manage housing development expansion and service change, this is particularly relevant to planned service changes from the successful recycling improvement fund application. The main environmental benefits from route optimisation include reducing miles travelled and therefore limiting the impact of increased fuel costs and lessening CO₂ emissions.
- 5.5 The Council is currently trialling E-Cargo bikes. The project is funded by Sustrans and includes a 12 month pilot of 3 E-Cargo bikes and evaluated. Services have been enthusiastic in coming forward to be part of the trial:
- Inverness Amenities Team in Communities and Place: Bike to be used for litter picking and maintenance at Bught Park area.
 - Inverness Roads Team in Infrastructure and Environment: Bike to be used for local road inspections.
 - Fort William Child Health Team in Health & Social Care: Bike to be used for local health visits.
- 5.6 A trial of a fully electric RCV is scheduled for early September. This will give the fleet and waste teams first-hand experience of operating an electric model, and identifying the adaptations necessary ahead of transitioning to ULEV in the waste function.
- 5.7 A cross service team were recently shortlisted at the Council Staff Recognition Awards for their work in increasing the availability of electric vehicle charging infrastructure across the region. It was very positive to see their work recognised in this shortlisting.

6. Finance and Fleet Availability

6.1 Finance

In addition to the *resources implications* detailed at 3.1, the cost of installing electric vehicle charging infrastructure to support light fleet decarbonisation will cost £1.8m. Costings for the transition of the heavy fleet continue to be investigated with further information becoming available all the time that will support a robust understanding of all life cycle costs, financial benefits, financing options etc. There will of course also be infrastructure costs relating to servicing and refuelling these vehicles that must also be considered.

- 6.2 Councils will require to consider securing private funding as they move forward to achieve their net zero objectives. Working collaboratively with public sector partners is also important.

6.3 For example, in conjunction with Aberdeen City Council and Aberdeenshire Council, a joint procurement is underway to invite the private sector to work jointly with the Councils in the provision and maintenance of electric vehicle charging infrastructure across the region. This involves expanding the EV network across the region, as well as taking over existing Council EV infrastructure and using the Councils fleets charging needs as anchor demand. This fleet anchor demand provides a commercially attractive model as well as an opportunity for the Council to expediate EV infrastructure for fleet use.

6.4 **Availability**

ULEV light commercial vehicles and cars, predominately electric, are now available in reasonable numbers. Currently leasing companies are not predicting a shortage in the market as Councils all strive to meet the Scottish Government targets.

6.5 The supply of ULEV heavy vehicles is more challenging. The mass production of these vehicles is still very much in development and thus some way away from “business as usual” availability.

6.6 Currently electric heavy vehicles are in the minority. The weight and size of batteries needed make this a challenge in terms of payload carried, however technological advances are being made. As reported at 5.6, there is a trial of fully electric RGV and this does demonstrate that the market is developing all the time.

7. **Approach and Action Plan**

7.1 Appendix 1 to this report sets out the approach and proposed action plan to 2030. It has been prepared with colleagues from the Climate Change and Energy team and supports the Council’s Net Zero Strategy.

7.2 The Sustainable Business Travel Action Plan will be reviewed annually and considered by the Communities and Place Committee. Services will also take annual progress reports to their respective Strategic Committees on their progress against the targets in their Service Plans. An annual report will be submitted to the Public Bodies Climate Change Duties (PBCCD) on the Council’s contribution to national climate change targets.

Designation: Head of Community Operations and Logistics

Date: 9 August 2023

Author: Caroline Campbell

Background Papers: Net Zero Strategy, June 2023

https://www.highland.gov.uk/download/meetings/id/81837/item_14_net_zero_strategy

DRAFT

Sustainable Business Travel – Approach and Action Plan 2023-2030



August 2023



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REVISION INDICATOR

| Revision Ref. | Date | Description | Made by |
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Glossary of Terms

| | |
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| CCET | Climate Change and Energy Team |
| EV | Electric Vehicle |
| Grey Fleet | Using private vehicles for work purposes |
| Heavy Fleet | Vehicles (gross weight >3.5t) |
| ICE | Internal Combustion Engine |
| LCV | Light Commercial Vehicles (gross weight <3.5t) |
| LGV | Large Goods Vehicle (gross weight >3.5t) |
| Light Fleet | Vehicles with gross weight <3.5t (includes cars and LCVs) |
| NZWG | Net Zero Working Group |
| SLT | Senior Leadership Team |
| ULEV | Ultra-Low Emission Vehicle |
| White Fleet | Light and heavy fleet, including owned, leased, hired and car club |

Section 1 - National and Local Context

1. Introduction

- 1.1 This section describes why sustainable business travel is important and the drivers for change including national and local context. Influences can be political, environmental, social, technological, financial, and legislative.

Business travel is defined as any travel undertaken for work or business purposes. Staff travel can involve using Council vehicles (light fleet and large goods vehicles), pool vehicles including car/van club, hired vehicle and their own vehicles (grey fleet). The Council fleet facilitates a wide range of Council functions from refuse collection to property maintenance, from grass cutting to transporting ballot boxes. In fact, most services the Council delivers have some sort of transport demand which is met through the work of the fleet service.

1.2 National Context

The Highland Council declared a climate and ecological emergency on 9 May 2019 and has committed to achieving a carbon neutral Inverness and a low carbon Highland by 2025.

The targets set by Scottish Government to reduce emissions to net-zero by 2045¹:

- 2025: The need for new petrol and diesel cars and light commercial vehicles in public bodies' procurement is phased out.
- 2030: The need for all new petrol and diesel vehicles in Scotland's public sector fleet is phased out (i.e. large goods vehicles).
- 2030: 20% reduction in car km².

1.3 Local Context

- 1.3.1 The Highland Council is the largest local authority in the UK, with a landmass larger than Belgium. The area includes 6 inhabited islands, nearly 7000 km roads, 90 harbours and marine facilities, 199 schools and 14,500 council houses.

There are 235,430 residents and thousands of annual visitors. (Nov 2022 figures) The Council delivers a multitude of services with many requiring staff to travel to deliver that service. During Pandemic the Council had to adapt how it delivered many of its services and the use of technology enabled this. In most instances face

¹ Mission Zero for Transport; Transport Scotland; <https://www.transport.gov.scot/our-approach/mission-zero-for-transport/>

² Climate Change Plan 2018-2032 Update; Scottish Government; <https://www.gov.scot/publications/securing-green-recovery-path-net-zero-update-climate-change-plan-20182032/>

to face meetings were replaced with on-line meetings and the need to travel was reduced considerably.

Services are reviewing their working practices to embed this learning and to continue to use a “Digital First” approach, using technology as the first option, where this is appropriate, when considering how to carry out their business.

The Council’s climate change ambitions are set out on the Climate change webpage.

https://www.highland.gov.uk/info/1210/environment/321/climate_change/2

- 1.3.2 The Programme for the Council 2022-2027 “Our Future Highland” states: *“We are ambitious for the future of our environment and recognise the importance of accelerating our response to the pressing climate and ecological emergency.”*

The Corporate Plan 2022-27 includes a strategic priority outcome of: *“A Sustainable Highland Environment and Global Centre for Renewable Energy”* and objectives to: *Promote greener transport including low carbon public transport and the development of hydrogen hubs throughout the area; and “Achieve our Net Zero targets”.*

- 1.3.3 The Council’s Net Zero Strategy was approved on 29 June 2023 and developing an approach to sustainable business travel contributes towards the success of that strategy.

https://www.highland.gov.uk/download/meetings/id/81837/item_14_net_zero_strategy

- 1.3.4 The actions contained within this document supports these ambitions and set out how the Council will move towards a sustainable business travel model when delivering services to the citizens of Highland. At the centre of this is:

- 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 purposes.

- 1.3.5 The approach to sustainable staff travel does not refer to:

- Commuting miles i.e. staff travelling to go to and from work.
- Miles travelled by schools and within the school curriculum.
- Public transport

It should be noted that other services within the Council, such as Public Transport, are developing Sustainable Transport Strategies which will take account of some of these points.

Section 2 - Progress to Date

2.1 The Council has taken a data driven approach, already making progress on reducing emissions, with changes in the way we work through various Council policies such as, New Ways of Working (NWow), the use of the Council Car Club, and introduction of ULEV within the fleet.

Regular reporting of miles travelled indicates that the downward trend in traveling seen during the pandemic has not been sustained. Service Plans will have targets included in the 2023/24 revision and this will reflect lessons learned and new ways of working.

2.2 The numerous changes implemented over the last number of years have all helped reduce overall fleet emissions by 40% since 2019 (See Fig 1).

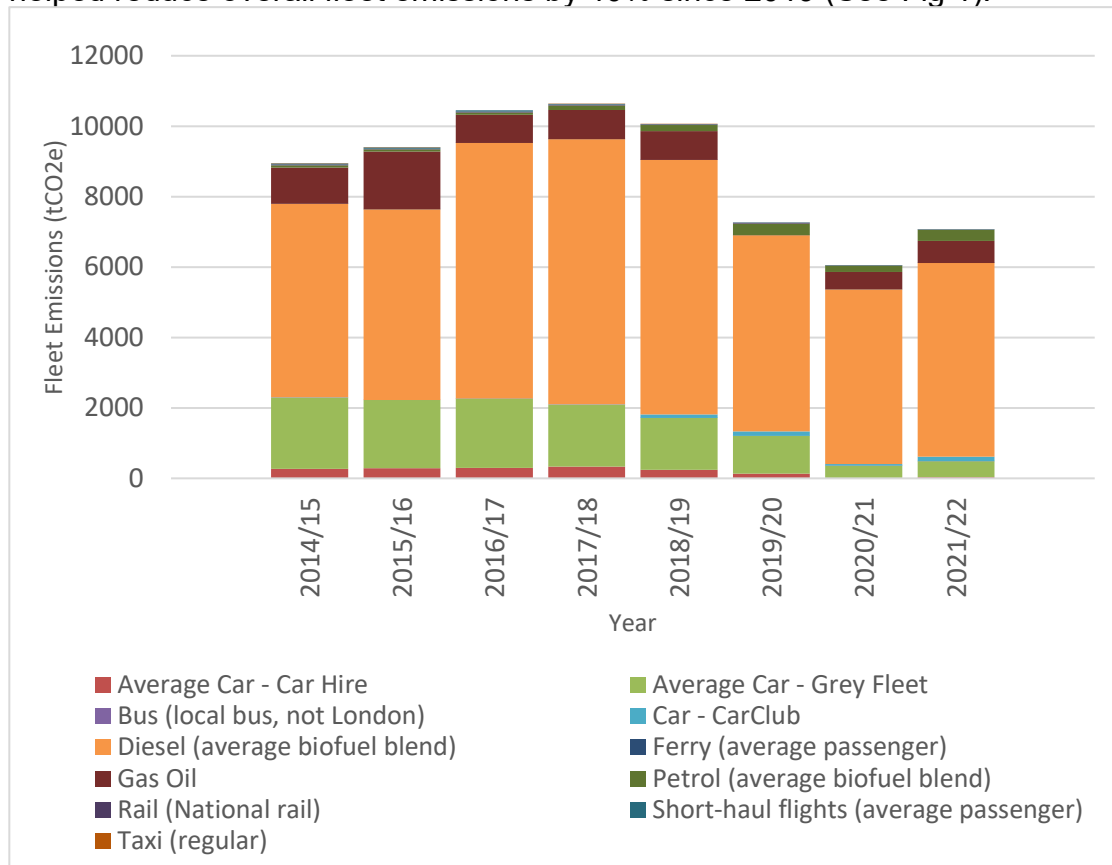


Figure 1. Summary of Fleet & Staff Travel emissions reported in the Public Bodies Climate Change Duties (PBCCD) report – Highland Council 2014 - 2022

The composition of the fleet, miles travelled, and emissions are detailed in Table 1, and Figure 2 below.

| Vehicle Type | No. Vehicles | No. ULEV (EV/hybrid) | Annual mileage (miles) | Annual Emissions (tCO2e) | % Number | % Mileage | % Emissions |
|---------------------------------|-------------------|----------------------|------------------------|--------------------------|----------|-----------|-------------|
| Car | 108 | 78 | 787,100 | 151 | 9% | 7% | 2% |
| Grey Fleet * | 1325 [^] | unknown | 1,647,931 | 455 | (n/a) | 14% | 6% |
| Light Fleet | 585 | 21 | 5,566,800 | 2,335 | 49% | 46% | 32% |
| Car Club * | 52 | 33 | 600,972 | 126 | 4% | 5% | 2% |
| Minibus/MPV <14 seats | 27 | 4 | 238,600 | 102 | 2% | 2% | 1% |
| RCVs | 81 | 0 | 1,027,400 | 1,526 | 7% | 9% | 21% |
| Heavy Fleet | 237 | 0 | 1,921,200 | 2,398 | 20% | 16% | 32% |
| Other Plant / Specialist | 108 | 0 | 213,200 | 320 | 9% | 2% | 4% |
| Total | 1198 | 136 | 12,003,203 | 7,412 | | | |

Table 1: Fleet composition, mileage and emissions based on FY 2021-22 data. *Data does not include short/long term hired vehicles with exception of those hired through Car Club. * Does not include Highlife Highland. ^ Number of employees claiming mileage reimbursement. Excluded from total and vehicle percentage splits.*

- 2.3 To recharge these vehicles there are 21 dedicated fleet EV charging points installed at Council properties with an additional 6 scheduled for installation during 2023/24.

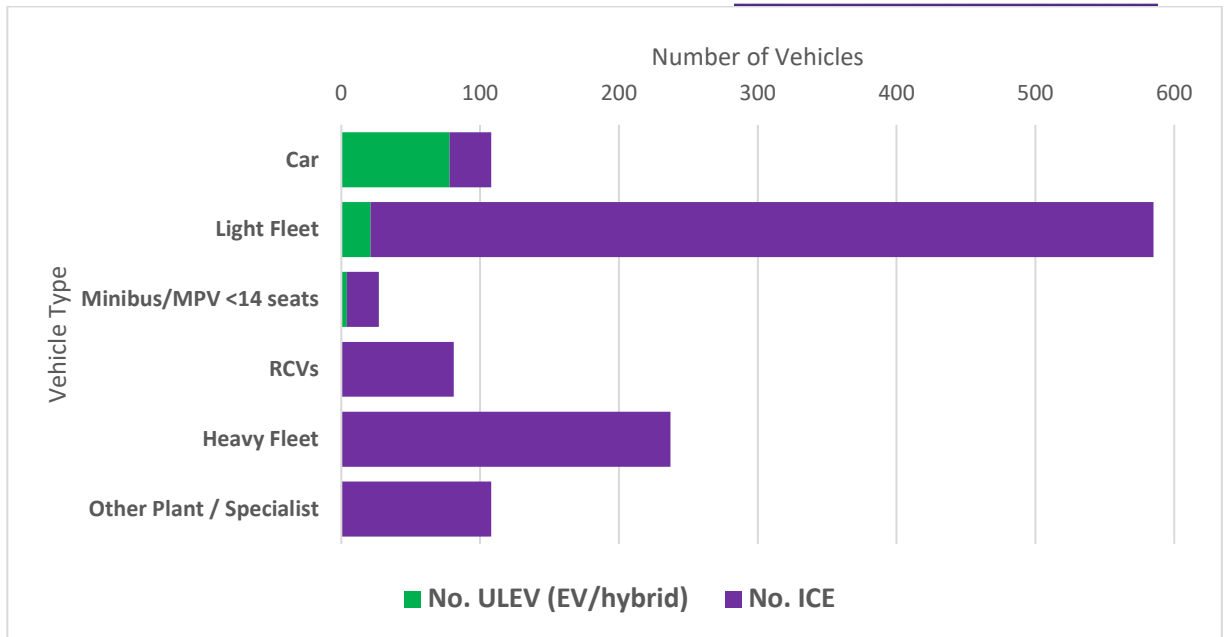


Fig. 2. Number of ULEVs within the Council White Fleet based on 2021-22 data.

The distribution of mileage and emissions across the fleet is shown in Figure 3 and 4 below. Figure 3 highlights that larger vehicle, such as HGVs and RCVs, contribute a higher proportion of overall fleet emissions. Figure 4 shows that Car Club vehicles produce less emissions per mile compared to grey fleet vehicles.

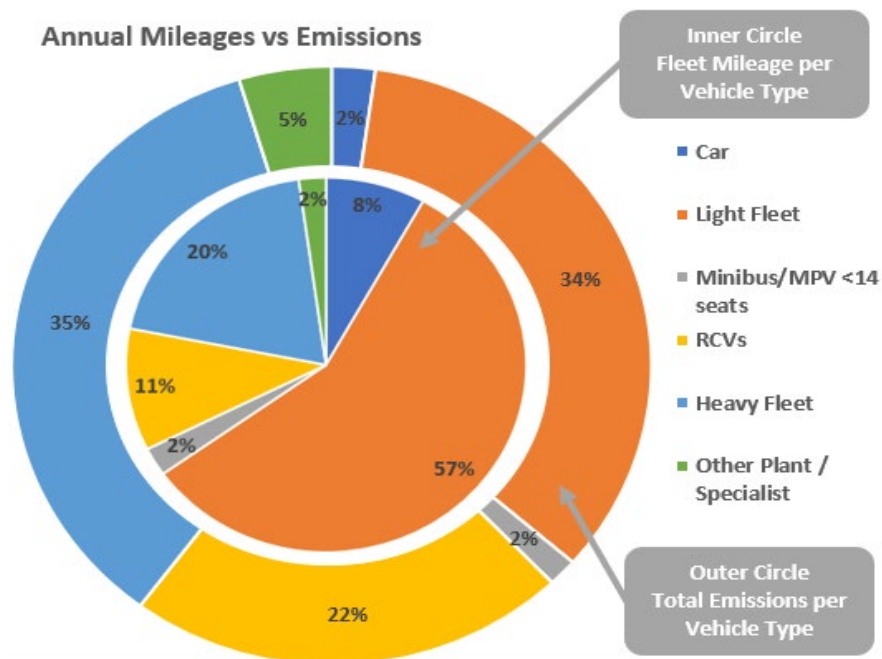


Figure 3. Distribution of 2021-22 mileage and emissions across fleet vehicle types.

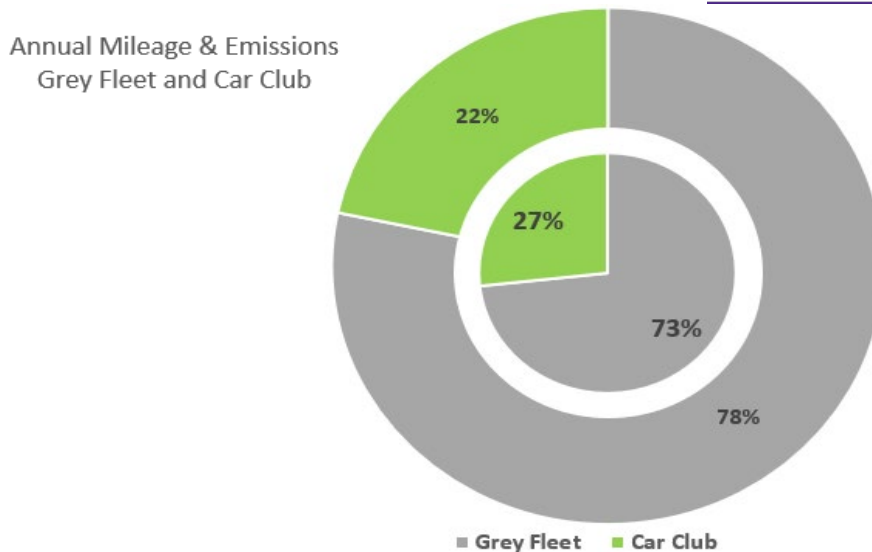


Figure 4. Distribution of 2021-22 mileage and emissions across car club and grey fleet vehicles.

Section 3 – Our Approach to Deliver Further Progress

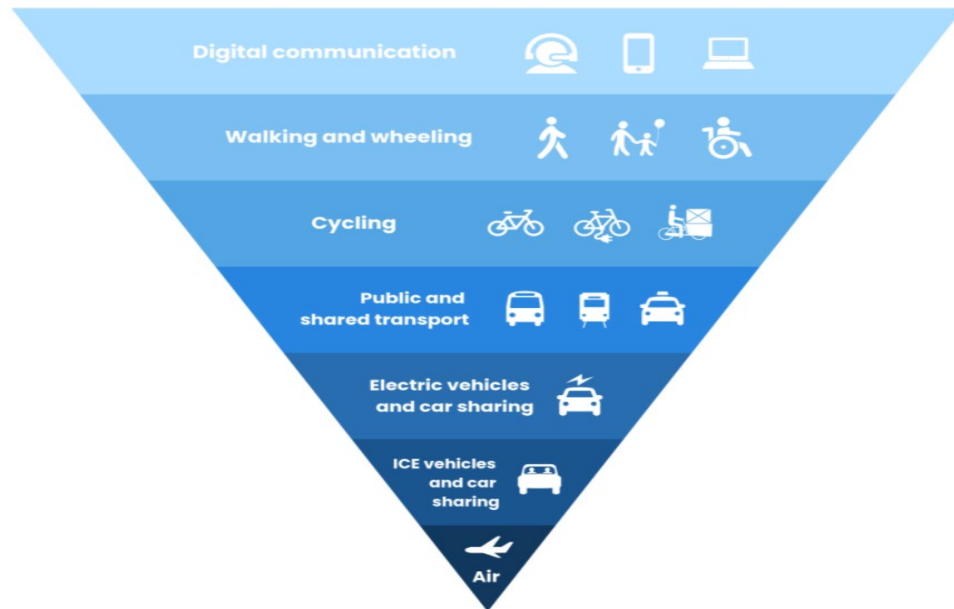
- 3.1 The Council has identified four strategic aims and themes that will underpin further progress towards sustainable travel:
- Theme 1 – Reduce through behaviour change.
 - Theme 2 – Rationalise and renew the light fleet.
 - Theme 3 – Investigate and develop low emission approaches for the heavy fleet.
 - Theme 4 – Build resilience into the Council’s travel projects, guidance and policies.

The Action Plan 2023-2030 to deliver the objectives within these themes is detailed in Section 6.

3.2 Theme 1 – Reduce through behaviour change

- 3.2.1 Behaviour change is a key element to decarbonising the Council fleet. We want to create a modal shift away from driving as the first choice in delivering services whilst recognising that many services can only be delivered face to face or by fleet vehicles, for example, refuse collection, winter maintenance, property maintenance, and cleaning.

This modal shift follows the principles of the Sustainable Travel Hierarchy³ and will apply to all aspects of travel.



The most cost effective and environmentally friendly way to conduct business is using digital means. Reducing the need to travel has benefits other than environmental, for example, reducing non-productive time, and reducing the hazards associated with work-related driving.

Thereafter, there will be a focus on reducing single-occupancy private cars in favour of sustainable travel options, including use of electric vehicles, pool cars, car sharing, active travel, use of public transport.

Through training, communications, and ongoing engagement the Council will guide staff through a decision-making process that will help them choose the most sustainable mode of transport possible; and set out the expectation, resources, and infrastructure to implement modal shift in staff behaviour. The hierarchy is included in the staff travel booking form and staff are required to confirm that travel is still necessary, having first considered the alternatives to travel, before being able to progress with the booking.

We also want to continue positive behaviour change in staff driving techniques. Driver training, advice and monthly telematic reports offer opportunities to minimise carbon emissions. Guidance on driving ULEV and use of EV charge points will also be provided.

In due course, carbon budgeting and annual targets will be agreed and implemented for each Service. This places the responsibility at Executive Chief Officer (ECO)

³ National Transport Strategy; Transport Scotland; <https://www.transport.gov.scot/active-travel/developing-an-active-nation/sustainable-travel-and-the-national-transport-strategy/#>

service level to provide stretching but also realistic and achievable targets for each service. The targets will be agreed through the Net Zero Strategy Group; reported on a quarterly basis and reviewed annually. As part of the target setting, Service fleet requirements will be agreed to enable vehicle rationalisation and downsizing. This includes identification of vehicles for rationalisation, and the number and type of vehicles required across all aspects of the Service. This review will consider all vehicles utilised including white fleet, car club, grey fleet and casual hired car vehicles.

Changes within the Council fleet will be communicated effectively to Council employees. The criteria for vehicle rationalisation and downsizing will be transparent and Council employees who have changes to their fleet vehicle will be informed of this. Information and guidance will be developed and provided for employees, including:

- if a vehicle is rationalised, then information and guidance on following the sustainable travel hierarchy, accessing public transport and car club will be provided.
- and if a vehicle is to be replaced with ULEV, information and guidance on driving ULEVs will also be provided.

EV introduced into the Council fleet will require refuelling using EV charging infrastructure. This is/will be available from dedicated Council EV charge points, the public network or home charging. A Council policy and guidance resource on how to utilise EV charge points will be developed to ensure confidence in vehicle charging and adequate infrastructure is available. This will help familiarise drivers in the use of electric vehicles, build confidence and help address concerns such as 'range anxiety'.

3.2 Theme 2 - Rationalise and Renew the light fleet

3.2.1 To decarbonise the Council light fleet, there will be a reduction in the number of vehicles, a transition to ULEVs and sufficient charging infrastructure will be developed to support this.

Table 2 sets out the fleet replacement and transformation programme.

| | <2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | >2030 |
|--------------|------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|
| Car | 4 | 18 | 37 | 35 | 13 | 2 | - | - | - | - |
| Light Fleet | 13 | 222 | 49 | 188 | 129 | 7 | 5 | - | - | - |
| RCVs | 24 | 4 | - | 7 | 8 | 8 | 11 | 5 | 9 | 1 |
| Heavy Fleet | 22 | 14 | 22 | 26 | 31 | 32 | 38 | 24 | 24 | 17 |
| Other Plant | 61 | 1 | 18 | 3 | 8 | 1 | 1 | 8 | 3 | 5 |
| Total | 124 | 259 | 126 | 259 | 189 | 50 | 55 | 37 | 36 | 23 |

Table 2: Fleet replacement and transformation programme.

The first step will be to rationalise the light fleet where possible and this will directly reduce miles travelled, cost and carbon emissions. A smaller light fleet will cost less to replace with ULEV, require less charging infrastructure, resulting in cost savings through reduced overall maintenance and operational costs. A smaller light fleet will also encourage a modal shift in staff behaviour in accordance with the Sustainable Travel Hierarchy. Suitable travel alternatives will be provided, such as vehicle sharing or car or van club.

The ULEV replacement of the light fleet will be in accordance with the current replacement programme and vehicle prioritisation will consider the installation programme of charging infrastructure. Work is underway to standardise vehicles and associated infrastructure across the region, which will offer benefits in procurement, maintenance, and operations.

Underpinning the replacement programme will be data obtained from vehicle telematics and route planning. The data will provide evidence of how a vehicle is used, for example, frequency, miles travelled, geographical area it is used within. Adequate provision of EV charging infrastructure is required to enable a smooth transition to EVs. The future installation programme will include; an assessment of grid capacity at sites to withstand the increased electricity demands; funding model and possible collaborations with private sector and public section organisations are being explored.

Home charging units will be necessary for staff that require to take vehicles home at night when participating in an on-call rota.

Car club, casual car hire and grey fleet are alternative models of vehicle use which are utilised within the Council. Car club promotes vehicle sharing, and offers an opportunity to rationalise vehicles, and therefore potentially realise financial and carbon savings. There are opportunities to expand this within the Council, both with cars and vans, and potential to expand to external organisations or the general public at off-peak times.

3.3 Theme 3 – Investigate and develop low emission approach for the Heavy Fleet.

3.3.1 A range of decarbonisation approaches are recommended for the heavy fleet due to the specialised purposes of the vehicles and the unique geographical Highland region. The cost of these types of vehicles is significantly higher than current costs and progress will depend on budget being available to achieve the Council's ambitions.

Similar to the light fleet, vehicle telematic data is key to understanding how the fleet is used and how vehicles and routes can be optimised. Vehicle rationalisation will be implemented where possible, however this is more difficult due to the specialist purpose of each vehicle. Instead, focus will be placed on route optimisation and

vehicle improvements to optimise the use of current vehicles. To support this, investments in telematics and vehicle technology improvements will continue. Vehicle technologies are continuously advancing, and new vehicle trials are a good opportunity to gain confidence and test technology within our fleet.

The manufacturing and availability of ULEV large vehicles is still at a very early stage and industry expects do not expect widespread availability until after 2030 at the earliest. This does not prevent our assessment of needs to be undertaken so a replacement programme can be developed.

The Heavy Fleet ULEV replacement type depends on several factors including fleet requirements, geographical constraints, vehicle technology, fuel availability and funding.

By assessing these factors, the required fleet size, fuel demand and infrastructure requirements will be identified. The ULEV replacement will be in line with the current replacement programme and will be in accordance with an agreed vehicle standardisation approach.

Hydrogen technology will be key for the decarbonisation of the Heavy Fleet. There are exciting hydrogen developments in progress within the Highlands, and the Council has the opportunity to be part of this and lead the way in hydrogen fleets. The Council will continue to support these initiatives and investigate funding opportunities to develop further.

There are opportunities for working in collaboration with other local authorities and private sector organisations. This includes taking a joint approach to procurement with partner organisations through our shared procurement service with Aberdeen City and Aberdeenshire Councils, as well as building partnerships that will help accelerate the wider Highland climate change agenda.

The future electric charging infrastructure installation programme, funding model and possible collaborations with private sector and public sector organisations are being explored through the Fleet Pathfinder project. Commercialisation options for fleet infrastructure will be considered and possible investment and grant funding explored.

3.4 **Theme 4: Build resilience into the Council's travel projects, guidance, and policies.**

3.4.1 The Climate Change Act (Scotland) 2009 puts a legal duty on the public sector not only to mitigate against the effects of climate change but also to adapt to the current, and future, changes to our climate.

Climate change is already impacting the Highland Council and its service delivery, extreme weather and natural hazard events are causing disruption to staff travel and essential transport services.

The approach to sustainable travel outlines numerous objectives which will help the Council embed resilience into staff travel and fleet operations.

The first action will focus on how the Fleet and Transport service has been impacted by adverse weather events in the past and identify any vulnerabilities in the service. This piece of work will feed into the Council's Local Climate Impact Profile – a tool designed to help organisations assess their current exposure to weather.

The service will also review the current guidance and policies relating to travelling in certain weather to ensure the Council puts the health and safety of officers first.

Moreover, the service will continue to work with partners to guarantee the resilience of the Council's transport network and infrastructure including electric vehicles (EV) charge points. For example, this will safeguard the function of chargers following power outages due to storms and working with roads colleagues to ensure priority transport networks are not cut off.

The objectives identified will help form the Council's own climate change adaptation strategy and action plan. This will be developed in parallel with the net zero strategy, focussing more on how the organisation can build resilience into our services, and adapt to current and future climate change.

Section 4 – Finance

- 4.1 Fleet decarbonisation places a substantial budget pressure on the Council. There are significant capital costs associated with ULEV replacement and charging/re-fuelling infrastructure, and officers are focused on finding opportunities for grant funding. The Scottish Government has recently moved away from grant funding EV infrastructure and looks to the private market to invest, offering opportunities for the Council to collaborate with private partners. A "Fleet Pathfinder" project is currently underway which explores opportunities to lever private sector finance in decarbonisation of fleets.

There are opportunities to explore alternative delivery/operating models for the Council fleet, fleet EV infrastructure and public EV infrastructure which would attract commercial investment into the Highlands through public/private partnership approaches. By engaging with the private market and collaborating with partner organisations, the Council could generate investment that reduces capital investment required and generates a long-term revenue.

There are also opportunities to realise financial savings by rationalising vehicles and transitioning to ULEVs as soon as possible. A smaller fleet will directly reduce miles travelled, cost and carbon emissions. The smaller fleet will cost less to replace with ULEV, require less charging infrastructure, and have reduced overall maintenance and operational costs. The operational running cost of an EV is lower than that of its diesel or petrol equivalent, with a current estimated fuel cost of 11p/mile for an EV

and 17p/mile for diesel. This offers the Council an opportunity to transition the fleet as soon as possible and benefit from fuel cost savings.

Section 5 - Monitoring Outcomes

- 5.1 Each Service will set a target for reducing their travel, fuel consumption and emissions and this will be included in their Service Plan. Services will report annually to their Strategic Committee on progress. Targets will be informed by business intelligence using the range of data and information already being provided, including the data/information reported in Section 1 and related-Appendices.
- 5.2 The reporting of carbon emissions is categorised into three Scopes, and these are outlined in Table 3 below. All forms of Council transport emissions will be considered, including direct (scope 1) and indirect (scope 2 and 3) emissions. Previously the Council was only required to report on Scope 1 and 2 emissions. However as of November 2022, the Council is now required to report on all emissions including Scope 3, therefore the Council will need to consider how to reduce carbon emissions from all Scopes.

| Scope Type | Details | Example |
|--|--|--|
| Scope 1: Direct emissions | From the activities of the organisation or under their control. This includes fuel combustion on site from vehicles. | White fleet (light and heavy fleet, including owned, leased, hired and car club) |
| Scope 2: Indirect emissions | From electricity purchased and used by the organisation. Emissions are created during the production of the energy, eventually used by the organisation. | Electricity from energy supplier for EV charge points |
| Scope 3: All other indirect emissions | From activities of the organisation but occur from sources that they do not own or control. | Emissions associated with: Grey fleet and business travel. |

Table 3. Reporting of carbon emissions categorised.

Section 6 - Fleet and Travel Policies

- 6.1 The Council provides comprehensive guidance relating to staff travel and subsistence and the use of Council vehicles. The overarching principles of the policies relating to Council vehicles are the safe and cost effective operation, and complying with the Operator Licence that governs the operation of the heavy goods fleet and drivers. Failure to comply with the Operator License poses significant risk to Council operations.
- 6.2 The Fleet Policies
https://www.highland.gov.uk/staffsite/downloads/file/8301/fleet_policies_and_procedures_sept_2020
- 6.3 The Travel and Subsistence Policy sets out the travel hierarchy, the use of hired vehicles, grey fleet and car club.
https://www.highland.gov.uk/peopleandtransformation/downloads/file/400/travel_and_subsidence_policy

Section 7 - Action Plan to 2023 - 2030.

| Theme 1: Reduce through behaviour change | | | |
|---|--|--|---------------------------------------|
| | Objectives | Responsible | Due/Review Date |
| 1.1 | <p>Employee Modal Shift Reduce miles travelled and need for transport by providing training, communications, and ongoing engagement with the Sustainable Travel Hierarchy.</p> <p>a) Continue the New Ways of Working (NWOW) approach and promote remote working technologies.</p> <p>b) Encourage staff to choose the most sustainable travel option by providing incentives such as pool ebikes / bikes.</p> <p>c) Continue cycle to work scheme.</p> | All Services with CCET/ Fleet support | Annual report to strategic committees |
| 1.2 | <p>Driver Behaviours</p> <p>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.</p> <p>b) Quarterly telematics reports to Service managers highlighting areas for improvement.</p> | All Services with CCET/Fleet support | March 2024 |
| 1.3 | <p>Service Level Targets</p> <p>a) Support Services with target setting and monitoring carbon budget and annual targets to reduce travel, fuel consumption and emissions by all methods.</p> <p>b) Agree service fleet requirements with ECOs</p> | <p>All Services with NZWG and Fleet support</p> <p>All Services with Fleet support</p> | <p>April 2024</p> <p>March 2024</p> |

| | | | |
|-----|--|--|--|
| 1.4 | Communications | | |
| | <p>a) Ensure services are aware of their fleet replacement dates and when their vehicles will be rationalised or replaced with ULEV.</p> <p>b) Develop policy and guidance around use of the charging infrastructure for Council network</p> | <p>Fleet Service</p> <p>CCET/Fleet Service</p> | <p>Quarterly reporting</p> <p>March 2024</p> |

Theme 2: Rationalise and renew the light fleet

| | Objectives | Responsible | Due Date |
|-----|--|----------------------------|--|
| 2.1 | <p>Fleet Rationalisation Review Council fleet and rationalise:</p> <p>a) Rationalise additional vehicles acquired in response to the Covid pandemic.</p> <p>b) Implement criteria and review policy to deliver a 20% reduction in fleet size by 2025 (benchmark 2019).</p> | SLT/NZWG/ Fleet Service | <p>September 2023</p> <p>Annually (from 2023)</p> |
| 2.2 | <p>Fleet ULEV Replacement</p> <p>a) Continue to implement a prioritised fleet replacement programme to transition the light fleet to ULEV, including full electric EV and hybrid technology.</p> <p>b) Agree standardised vehicles across region. Research the market for ULEV alternatives</p> <p>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.</p> | Fleet Service | <p>Annually (from 2023)</p> <p>September 2023</p> <p>Ongoing</p> |

| | | | |
|-----|---|---|--|
| | Replacements will be subject to adequate budget being available. | | |
| 2.3 | <p>Fleet EV Charging Infrastructure</p> <p>a) 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.</p> | CCET /Procurement Fleet Service | Ongoing (through to 2027) |
| 2.4 | <p>Establish Infrastructure Funding Model</p> <p>a) Review current procurement model.</p> <p>b) Identify and utilise external funding opportunities for fleet renewal and associated infrastructure.</p> <p>c) Investigate private sector funding opportunities for fleet infrastructure, through pathfinder project.</p> <p>d) Electronic vehicle charging infrastructure installation. Facilitated by the Pathfinder project</p> | <p>Procurement/ Fleet/Finance Service</p> <p>Fleet Service / Finance / CCET</p> <p>Procurement / Fleet / Finance Service / CCET</p> <p>Fleet Service/CCET</p> | <p>December 2023</p> <p>Ongoing</p> <p>March 2024</p> <p>Ongoing</p> |
| 2.5 | <p>Infrastructure Collaboration</p> <p>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.</p> | Fleet Service, other partners as appropriate, e.g. NHS etc | Ongoing |

| | | | |
|-----|---|-------------------|-------------------------------------|
| | Facilitated via the Pathfinder project. | | |
| 2.6 | <p>Grey fleet, car club and casual car hire policy</p> <p>a) Review policy on grey fleet, car club and casual car vehicle hire.</p> <p>(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</p> | HR/ Fleet Service | <p>April 2024</p> <p>April 2024</p> |

Theme 3: Continue to implement low emission approach for the Heavy Fleet

| | Objectives | Responsible | Due Date |
|-----|--|-------------------------------------|-----------------|
| 3.1 | <p>Fleet assessment, route optimisation and rationalisation.</p> <p>All LGVs include telematics as part of specification, which provides data allowing for:</p> <p>a) Analysis of LGV utilisation and requirements.</p> <p>b) Identification of possible vehicles for downsizing or rationalisation.</p> <p>c) Reduction in mileage and number of vehicles through route optimisation:</p> <ul style="list-style-type: none"> • Waste – RCV route optimisation reduces mileage and emissions. Optimisation allows for addition future housing to be serviced by current fleet size. • Winter fleet – Reconsider existing route boundaries and multi-use vehicles. | All Services / NZWG / Fleet Service | Ongoing |
| 3.2 | <p>Vehicle Improvements</p> <p>a) Continue to reduce emissions through</p> | Fleet Service | Ongoing |

| | | | |
|-----|--|-------------------------|---|
| | <p>installation of electric tail lifts on RCVs.</p> <p>b) Continue to introduce fully electric street sweepers (Green machines).</p> <p>c) Invest in vehicle technology improvements. Eg. GPS technology to optimise gritting requirements on winter fleet offering cost and carbon savings.</p> | | <p>Ongoing</p> <p>Ongoing</p> |
| 3.3 | <p>Vehicle Trials</p> <p>a) Identify possible funding streams or partners to support ULEV LGV trials.</p> <p>b) Trial low emission LGVs in urban areas, including:</p> <ul style="list-style-type: none"> • 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. <p>c) Engage with suppliers/partners to investigate and trial 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.</p> | NZWG / Fleet service | <p>Ongoing</p> <p>Ongoing</p> <p>March 2024</p> |
| 3.4 | <p>Identify preferred alternative fuel type and refuelling infrastructure requirements</p> <p>a) Research the market and identify preferred ULEV alternatives for each vehicle type. Due to geographical</p> | NZWG / Fleet Service | Ongoing |

| | | | |
|-----|---|--|--|
| | <p>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.</p> <p>b) Assess hydrogen demand and refuelling requirements and potential supply and/or generation.</p> <p>c) Assess number, size, and type of charge points. Investigate renewable sources of energy for EV charging.</p> | | <p>December 2023</p> <p>December 2023</p> |
| 3.5 | <p>Heavy Fleet ULEV Replacement</p> <p>a) Agree standardised vehicles across region.</p> <p>b) Develop and implement a replacement programme for replacement or conversion of LGV to ULEV.</p> <p>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.</p> | <p>Fleet Service</p> | <p>March 2024</p> <p>September 2023</p> <p>Ongoing</p> |
| 3.6 | <p>Establish Infrastructure Funding Model</p> <p>a) Investigate private sector funding opportunities for fleet infrastructure, through the fleet pathfinder project.</p> <p>b) Council budget for infrastructure installation will be confirmed.</p> | <p>NZWG / Fleet Service</p> <p>Finance Service</p> | <p>April 2024</p> <p>September 2023</p> |
| 3.7 | <p>Infrastructure Collaboration</p> | | |

| | | | |
|--|---|---|-------------------------------|
| | <p>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</p> <p>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.</p> | <p>Fleet Service, other partners as appropriate, i.e. NHS etc</p> | <p>Ongoing</p> <p>Ongoing</p> |
|--|---|---|-------------------------------|

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

| | Objectives | Responsible | Due Date |
|-----|--|--|----------------------|
| 4.1 | <p>Assist with the development of the Council's Local Climate Impact Profile.</p> <p>a) Provide data and information on how the service has been impacted by weather events.</p> | <p>Climate Change Coordinator (Adaptation) / Fleet Service</p> | <p>December 2023</p> |
| 4.2 | <p>Review guidance for officers</p> <p>a) Winter Travel Policy b) Adverse Weather c) Management of Occupational Road Risk d) Adverse Weather Guidance</p> | <p>Fleet Service / Occupational Health and Safety.</p> | <p>October 2023</p> |

This document is owned by:
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