

## **REPORT PC26112 Contract for Parish Council business vehicle**

**Author: Operations Officer**

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### **Purpose**

The purpose of this report is to consider the acquisition of the Parish Council's first operational vehicle to support the work of the Operations Team and wider Council activities.

### **Background**

Over recent years the scope of work undertaken by the Parish Council's Operations Team has continued to grow. In addition to routine inspections and maintenance, the team now undertakes environmental improvements, removes fly-tipped items, supports community events, installs and maintains parish assets, responds to reactive maintenance issues and carries out a wide range of operational tasks across the parish.

Despite this expanding role, the Council does not currently own an operational vehicle. Staff currently rely on their own private vehicles when travelling between sites and transporting smaller tools and equipment. Larger items, materials and equipment often have to be transported by external contractors because there is no suitable Council vehicle available.

This limits the amount of work that can be undertaken in-house, reduces operational flexibility and increases reliance on external contractors.

Providing the Operations Team, and wider staff where required, with a dedicated operational vehicle would represent a significant step in improving the Council's ability to deliver services directly, efficiently and professionally.

### **Why an Operational Vehicle?**

A Council-owned electric van would provide a number of operational benefits, including:

- Transporting tools and equipment safely between work locations with clear insurance cover.
- Carrying trees, plants, compost, timber, woodchip and other materials for environmental improvement projects.
- Supporting community events through the transport of gazebos, tables, chairs, barriers, banners and event equipment.
- Collecting materials and supplies from local suppliers.
- Enabling staff to undertake a wider range of maintenance and improvement work directly.
- Reducing the need to use private vehicles for transporting Council materials and equipment.

- Presenting a professional image through a liveried Council vehicle that is visible throughout the parish.
- Providing future support for Community Emergency Volunteers (CEV) by transporting barriers, generators, lighting and other emergency equipment.

The vehicle would also improve operational resilience by ensuring staff always have access to suitable transport for day-to-day duties and future service expansion.

### **Current Position**

Staff currently claim mileage for business use of their private vehicles at the approved HMRC rate of 55 pence per mile. The Council currently reimburses approximately £140 per month on average, (around £1,680 per year) in business mileage claims, based on an average of approximately 255 operational miles per month.

The introduction of a Council-owned operational vehicle would significantly reduce these mileage claims, with only occasional claims expected where the vehicle is unavailable or unsuitable. This represents an ongoing saving that will help offset the monthly cost of providing the vehicle.

Based on the Council's current operational mileage, the electric vehicle is estimated to cost approximately £250 per year to charge. This compares with the current mileage reimbursement of approximately £1,680 per year, representing an estimated annual saving of around £1,430 in mileage and fuel costs.

The vehicle would also reduce carbon emissions by approximately 0.65 tonnes of CO<sub>2</sub> each year, representing around an 80% reduction compared with equivalent petrol vehicle use.

Whilst these savings do not fully offset the cost of providing a dedicated vehicle, they make a positive contribution towards the overall cost of ownership whilst delivering significantly enhanced operational capability.

### **Vehicle Options Considered**

A review was undertaken of several small electric vans suitable for the Council's operational requirements:

- Kia PV5 Cargo
- Nissan Townstar EV
- Renault Kangoo E-Tech

A comparison of the vehicles is attached as Appendix A.

Following assessment, the Kia PV5 Cargo is the preferred vehicle because it offers:

- Highest payload (790 kg).
- Largest cargo volume (5.1 m<sup>3</sup>).
- Seven-year manufacturer warranty.

- Eight-year battery warranty.

Overall, it provides the best combination of practicality, reliability and long-term value for the Council's operational requirements.

## **Procurement Options**

### **Option 1 – Lease Hire (Recommended)**

- Single one-off payment of £424.40 setup to lease company.
- £357.00 per month thereafter.
- 48-month lease.
- Servicing included.
- Tyre replacement included.
- Fixed monthly costs.
- Reduced maintenance risk.
- Road fund licence included.
- Total lease costs: £17,560.40

### **Option 2 – Outright Purchase**

- Deposit: £5,705.17
- Balance: £23,940.00
- Total purchase price: £29,645.17
- Ongoing servicing, tyre replacement and maintenance would be additional costs.

Whilst outright purchase would provide ownership of the asset, lease hire avoids a significant capital outlay, includes servicing and tyres, provides fixed monthly costs and reduces maintenance risk throughout the lease period.

## **Additional Vehicle Costs**

### **Insurance**

Six months to end of 26/27 year will be £523.

A quotation has been obtained for £933.21 per annum (£77.76 per month) for employee business use.

### **Electric Vehicle Charger**

Installation of an EV charging point has been quoted at £1,770 plus VAT by SGS Ltd.

A Government grant can be applied for which, if successful, is expected to reduce the installation cost by approximately £500.

## Financial Summary

| Item                                          | Monthly Cost            |
|-----------------------------------------------|-------------------------|
| Vehicle lease (including servicing and tyres) | £357.00                 |
| Insurance                                     | £87.16 six months 26/27 |
| <b>Gross monthly cost</b>                     | <b>£444.16</b>          |
| Less current mileage claims avoided           | -£140.00                |
| <b>Estimated net additional monthly cost</b>  | <b>£304.16</b>          |

The finance officer has confirmed costs including the charger installation can be covered through existing cost codes in the 26/27 budget with an overspend this year of £1500 approx., to be covered from general reserve. These numbers are based on a lease starting in October 2026. See appendix 2 for budget code info.

For the 2027/28 budget the finance officer has suggested there be a change to the current Mileage cost code to "Mileage & Transport" with a proposed budget of £6,300, this would be an increase of £2,800 overall.

## Recommendation

It is recommended that Full Council resolves to:

1. Approve the acquisition of a Kia PV5 Cargo through the 48-month lease hire agreement (Total cost £17,560.40).
2. Approve the necessary insurance.
3. Approve the installation of an electric vehicle charging point, funded from reserves, subject to the outcome of the Government grant application. At a cost of £1,270.
4. Authorise the Clerk to complete the procurement.

## Appendices

1. Van comparisons table.
2. Finance code detail

| Manufacturer    | Vehicle type                                                                        | PCP Monthly cost                                                                              | Initial payment value                         | Total to be paid                       | Note                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                             |
|-----------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Renault Kangoo  |                                                                                     | NA                                                                                            | NA                                            | NA                                     | NA                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                             |
|                 |                                                                                     | HP monthly costs                                                                              | Initial payment value                         | Total to be paid                       | Note                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                             |
|                 | RENAULT KANGOO L2 E-TECH LL21 90kW 44kWh Advance [Safety] Van Auto LWB              | £352.75 x 60 months                                                                           | £4000 This is the VAT up front.               | £25,564.80                             | You will also see that the finance is 0% Apr. Own the van after 5 yrs. Three year warranty only on the van. Eight year on the battery. No mileage limit. This is a smaller capacity compared to the KIA                                                                                                                                                                                      | <a href="https://business.renault.co.uk/van-range/kangoo-van-electric.html?bodyTypeCode=PT1261_crew_van">https://business.renault.co.uk/van-range/kangoo-van-electric.html?bodyTypeCode=PT1261_crew_van</a> |
|                 |                                                                                     | Lease monthly costs 36 months                                                                 | Initial payment value                         | Total to be paid                       | Note                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                             |
|                 | RENAULT KANGOO L2 E-TECH LL21 90kW 44kWh Advance [Safety] Van Auto                  | £905.32 for 35 months, includes £57.76 service /Mtnce charge                                  | £2,715.96                                     | £34,402.16                             | Limited miles, possible damage repair costs at end of lease. The contract hire quote does attract VAT on top of the payments. Excess mileage costs above 45000 miles                                                                                                                                                                                                                         |                                                                                                                                                                                                             |
| Peugeot         | E-PARTNER                                                                           | PCP Monthly cost                                                                              | Initial payment value                         | Total to be paid                       |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                             |
|                 | E-PARTNER - Van XL Professional Plus Electric                                       | 769.44 x 35 months, Final balloon payment of £ 9,187.00                                       |                                               | £42,312.40                             | 10,000 miles limit                                                                                                                                                                                                                                                                                                                                                                           | <a href="#">Peugeot E-Partner   All Electric Electric Van   2, 3, or 5-seater Van</a>                                                                                                                       |
|                 |                                                                                     | HP monthly costs                                                                              | Initial payment value                         | Total to be paid                       |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                             |
|                 | E-PARTNER - Van XL Professional Plus Electric                                       | 964.8 x 36 months                                                                             | 6,195.00                                      | £40,927.80                             | 6.9% APR                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                             |
|                 |                                                                                     | Lease monthly costs                                                                           | Initial payment value                         | Total to be paid                       |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                             |
|                 |                                                                                     | NA                                                                                            | NA                                            | NA                                     |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                             |
| Nissan Townstar |                                                                                     | PCP Monthly cost                                                                              | Initial payment value                         | Total to be paid                       |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                             |
|                 | Model: Nissan Townstar (MY26) EV Acenta L2 45kWh (122HP) Panel Van (Automatic) Grey | Not available                                                                                 |                                               |                                        |                                                                                                                                                                                                                                                                                                                                                                                              | <a href="https://www.nissan.co.uk/vehicles/new-vehicles/townstar.html">https://www.nissan.co.uk/vehicles/new-vehicles/townstar.html</a>                                                                     |
|                 |                                                                                     | HP monthly costs                                                                              | Initial payment value                         | Total to be paid                       |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                             |
|                 | As above                                                                            | 60 monthly payments of £369.98 8.9% apr                                                       | Deposit: £5,014.00 (Covers VAT, FRF, and RFL) | Total Cost (Incl. Deposit): £27,212.80 | 5yr Warranty + 8yr battery warranty                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                             |
|                 |                                                                                     | Lease monthly costs                                                                           | Initial payment value                         | Total to be paid                       |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                             |
|                 | Nissan Townstar EV L1 Acenta in Urban Grey                                          | £1586.88 and £489.07 for 48 months plus £5,725.00 + VAT at end of period                      |                                               |                                        | Hand back                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                             |
| Kia PV5 Cargo   |                                                                                     | HP monthly costs                                                                              | Initial payment value                         | Total to be paid                       |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                             |
|                 | Kia PV5 Cargo                                                                       | Kia do not provide finance options to Local authorities, outright purchase only or lease hire | Customer deposit 5705.17                      | £29,646                                | Outright purchase, we own it 7-year vehicle warranty. Every Kia sold in the UK benefits from a 7-year/100,000 miles new car warranty (up to 3 years unlimited mileage; 100,000 miles limit from years 4 to 7) from the date of first registration. This warranty is free and fully transferable to subsequent owners. (Terms and exclusions apply, log onto www.kia.com/uk for full details) | <a href="#">The Kia PV5 Cargo   Kia UK</a>                                                                                                                                                                  |
|                 |                                                                                     | Lease rental monthly costs                                                                    | Initial payment value                         | Total to be paid                       |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                             |
|                 | Kia PV5 Cargo                                                                       | Advance ease set up : £424.40 inc VaT<br>Monthly Rental: £357 per month over 48 months        | £357                                          | £357 X 47 MONTHS                       | Hand back at the end of period, Plus possible handback charges depending on condition.                                                                                                                                                                                                                                                                                                       | Preferred option, larger vehicle, fixed costs,                                                                                                                                                              |

Appendix 2

| KIA Cargo EV                                                                  |                                                                                                                     |                                           |                                                                                                         |
|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Year 26/27 costs                                                              | 26/27 Funding cost centre                                                                                           | 26/27 Overspend source                    | 27/28 Funding cost centre                                                                               |
| Monthly leasing plus one off lease set up payment, total to end of year £2499 | Cost centre, Administration, cost code used: Mileage. Use remaining of this budget, plus overspend of aprox £1000 . | £1000 from general reserve                | £6300 proposed budget cost code: Mileage & transport . This would be an overall £2800 increase on 26/27 |
| Monthly insurance total (six months) £523                                     | Cost centre, Administration, cost code: Insurance. Use remaining budget plus overspend of £232                      | £232 from general reserve                 | All costs included in above note                                                                        |
| Equipment Capital cost. EV Charger £1270. This includes minus £500 EV grant.  | Cost centre, Administration, cost code: Equipment. Use remaining budget, plus overspend of £270                     | £270 from general reserve                 |                                                                                                         |
|                                                                               |                                                                                                                     | <b>Total 26/27 overspend aprox- £1.5K</b> |                                                                                                         |