



EXECUTIVE BOARD DECISION

REPORT OF:	Executive Member for Environment & Operations, Executive Member for Finance and Governance
LEAD OFFICERS:	Deputy Director Legal and Governance, Strategic Director of Environment & Operations
DATE:	Thursday, 6 July 2023

PORTFOLIO/S AFFECTED:	Environment & Operations
WARD/S AFFECTED:	(All Wards);
KEY DECISION:	Y

SUBJECT: Vehicle Replacement Programme

1. EXECUTIVE SUMMARY

The Council's vehicle replacement programme has identified that a number of vehicles in the Council's fleet are old, need replacing, to reduce the impact on the Council of increased maintenance costs and also hired replacement vehicle costs and provide up to date conformity with emission targets for engine efficiency. Vehicle failures can also affect the delivery of key services to the public that can also lead to reputational damage to the Council.

The evaluation criteria for the procurement varies between specific vehicles, as the fleet does not just rely in a standard vehicle type, as there are variable body and machinery requirements.

Cultural services, Welfare and Youth services have a number of vehicles, which are over 10 years old and are beyond economical repair.

The Refuse Collection Team has three vehicles that are over 9 years old and need replacing due to increased vehicle failure and repair costs.

The Street lighting Team has an 18 tonne flat bed crane wagon that needs replacing due to safety concerns, this wagon is 16 years old.

The Environment Amenities Team have two vans on hire that can be replaced by one larger panel van.

The Environment Amenities Team has already scrapped a 4x4 utility vehicle that was over 12 years old and needs replacing.

The Public Transport Team have two Community Welfare buses that are 16 years old and need replacing to effect regular and reliable service delivery. They also have a small van which is 13 years old and needs to be replaced.

The Youth Service team have a mini bus that is 17 years old and needs replacing.

The Culture and Leisure team have a large mini bus, which is 10 years old that needs replacing.

The Highways team have two large tippers, which are 12 years old and need replacing. They also have a small van that is 17 years old and needs replacing.

2. RECOMMENDATIONS

It is recommended that the Executive Board authorise the replacement of these old and hired vehicles, using £1,350,000 of the £1.7m that has been earmarked in the 2023-2026 capital programme for vehicle replacement, as part of the procurement strategy for the replacement and management of the Council's fleet, utilising existing framework providers and/or The Chest, North West Procurement Portal

3. BACKGROUND

It should be noted that the Council is attempting to move its fleet towards alternative fuels, although the cost effectiveness of this at present is with the smaller vehicles operated. The larger vehicles are still to use diesel, although they are to be Euro 6 standard, the latest available to meet the required emissions requirements. The Council's Fleet Transport Manager is constantly reviewing options for alternative fuel usage and is seeking to switch the fleet at appropriate times, with the charging facilities also needing to be considered and available.

The Council has a fleet of 17 refuse collection vehicles that are currently utilised for collecting household waste and trade waste throughout the Borough, within the 17 there is a provision of 4 spare vehicles. In addition, the council is maximising the use of the Refuse Collection fleet with 4 vehicles from the fleet being used each week on a Friday and Saturday to collect the garden waste generated within the borough. The vehicles are of varying ages. The oldest two vehicles are now 9 and 10 years old and becoming increasingly unreliable with increased maintenance costs and by virtue, increased costs for overtime for service completion, to ensure that the work is completed and income generated from trade waste is not lost. There is also the impact on the Council finances in terms of hired replacements on occasion.

Of the required replacement vehicles, the street lighting team have a flat back crane wagon, which is used to transport and erect street lamps. It is also used for collection and delivery of 'street furniture' throughout the borough. This vehicle is 16 years old and is proving expensive to maintain. This is a specialist one off type vehicle and should this be off the road we will be looking at £800p/w to hire an equivalent, if we can source one.

The Grounds Maintenance team currently uses two small hired vans to undertake the weed spraying contract that was brought back in-house at the start of the summer 2021. The current hire cost is approximately £4,500 each per annum and is not the most economical way of providing the service. It is intended to investigate the market to replace these vehicles with one large panel van which would also be used to pull a trailer for the quads used when spraying and would be able to carry a 1000ltr water supply, to service the quads when weed spraying. Due to the towing and weight carrying requirements for this vehicle there is currently no electric option for this van.

The Ground maintenance (Arborists) team utilise a 4x4 style vehicle to enable them to carry out 'off road' work. The original vehicle was recently disposed of when it became beyond economical repair. At present, the marketplace for electric 4x4 utility vehicles is very limited, with purchase prices high, so a diesel engine may have to be procured.

The Welfare team have 6 large mini buses, two of these are 16 years old and need to be replaced. They are becoming increasingly unreliable and are proving expensive to maintain. The exterior and interior condition is poor and do not present a good impression when in use aside from the disruption breakdowns cause to the service users. Electric versions of such vehicles that can accommodate a number of wheelchair users is only available in a very limited number of specialist coach building

companies, with purchase prices significantly higher than that of diesel comparators.

The Youth Services team have a mini bus, which is 17 years old. This vehicle is in a poor condition and is need of some major repairs. This would make the vehicle beyond economical repair. As the vehicle requires the ability to travel significant distances on a single tank of fuel or charge, the electric version at present, is not something that can provide the mileage needed, so a diesel option is required at present.

The Public Transport Team have two mini buses, which are 16 years old and are becoming increasingly unreliable. The intention is to replace these with new vehicles. Again, due to the limitations at present of electric options, diesel Euro 6 engines will be procured. The approximate cost would be £75,000 each. Public Transport also have small van, which is used to repair and maintain the street furniture. This van is 13 years old and is in need of replacing. The intention is to procure an electric van.

The procurement strategy of the fleet would be continue as per previous years, via proven and established routes, utilising established framework contracts that have delivered the best value for the Council in previous years. Evaluation criteria for each vehicle type that is procured have been developed and will be finalised and agreed between the Head of Environment and the Head of Legal and Procurement. The criteria will based on the overall cost, service needs and dynamics of the type of vehicle being procured, since whilst the body and chassis may be a standard design, there are many variables to be considered when evaluating the bids received, e.g. the provision of specialist lifting equipment, purpose built access and egress provision for minibuses, facilities for wheelchair access etc., all play a part on why separate evaluation criteria are used.

4. KEY ISSUES & RISKS

The main cause for concern in not replacing these three vehicles would be reliability, which could result in a shortage of vehicles to complete the refuse, recycling and trade waste rounds, thus affecting service delivery to customers and jeopardising the £1,000,000 per year trade waste income the Council generates. The availability of hire vehicles around the country is limited and as such, we are fully dependent on the availability of our own refuse collection vehicles. There is also the impact of vehicle failures in other key services such as the welfare transport service, whose service users are often the most vulnerable members of our community.

An ageing fleet also sees the Council run the risk of not using the latest technology to help tackle the Climate Emergency that has been called by the Council.

A procurement strategy for the Council fleet enables the Council to manage and monitor its capital and revenue commitments for the operation of its fleet.

5. POLICY IMPLICATIONS

Priority 6 for the council identifies that the council will 'make your money go further', which this report aims to provide. Vehicle procurement and replacement enables the Council to mitigate additional costs due to vehicle downtime due to maintenance failures, due to an aging fleet. The procurement strategy follows that already established by the Council.

6. FINANCIAL IMPLICATIONS

The approximate cost for all of the new vehicles would be £1,350,000. The Council would seek to finance the purchase of the new vehicles through a "sale and lease back" arrangement. Assuming this was the best option, the Council would lease the vehicles over a five-year period, at an estimated cost of £300,000 per annum to be borne by the respective services revenue budgets. All options regarding funding the procurement will be considered by the Council's Finance team.

If leasing was not the most economic or a viable option, the Council would finance the vehicles through prudential borrowing. The respective revenue budgets would then be adjusted to finance this cost.

The Council has been set a target of becoming carbon neutral by 2030. In this report, there are plans to purchase a number of electric vehicles to help with achieving the target. There is likely to be additional costs in providing sufficient additional charging facilities at the Davyfield Road depot, which are presently being discussed and reviewed, with funding bids submitted for capital development of the charging station..

7. LEGAL IMPLICATIONS

The Council as a Waste Collection Authority (WCA) and a Waste Disposal Authority (WDA) has a legal duty under the Environmental Protection Act 1990 to provide waste collection and disposal Services in the borough, so the provision of an effective and efficient fleet is paramount

A procurement exercise will be undertaken in accordance with the Council's Contract Procurement Procedure Rules and Contracts shall be in a form approved by legal officers in the Contracts and Procurement Team.

8. RESOURCE IMPLICATIONS

The procurement of the new vehicles can be accommodated within existing resources.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. (*insert EIA link here*)

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. (*insert EIA attachment*)

10. CONSULTATIONS

Consultation with the respective management teams has taken place to identify the best option going forward to deliver the service.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

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CONTACT OFFICER:	Joanne Byrne, Tony Watson
DATE:	13-07-23
BACKGROUND PAPER:	