



EXECUTIVE MEMBER DECISION

REPORT OF: Executive Member for Growth and Development

LEAD OFFICERS: Director of Growth and Development

DATE: 13/08/2019

PORTFOLIO/S AFFECTED: Growth and Development

WARD/S AFFECTED: All

SUBJECT: Replacement of Hired vehicles for the Corporate Building Team

1. EXECUTIVE SUMMARY

The Council's vehicle replacement programme has identified that the Corporate Building Team has six hired vehicles on the fleet that need replacing with Council owned fleet vehicles.

2. RECOMMENDATIONS

That the Executive Member: agrees to replace the hired vehicles with Council owned fleet vehicles resulting in a financial saving for the Corporate Building Team.

3. BACKGROUND

The Corporate Building Team has expanded over the last couple of years and now find themselves with six hire vehicles on the fleet. While the hire vehicles are fit for purpose, they are not the most economical way of providing the service with vehicles.

Purchasing Council owned vehicles through the Capital Leasing Programme would see a significant saving over the five-year period even after taking in to account the extra associated costs for tax, tyres and parts. These would be nominal for the first three years due to the three year's warranty placed on the vehicles by the dealerships.

Should the Corporate Building Team need to reduce in fleet size over the next couple of years then the Building fleet has 8 vehicles that are owned and approaching ten years old and could be sold on without the Council incurring any additional costs. There are also 8 vehicles that will be 5 years old next year and will enter into secondary lease which would also mean that the Council would not incur any additional costs if these were to be returned.

4. KEY ISSUES & RISKS

The key issue would be that buying these vehicles instead of hiring them would result in a saving for the Corporate Building Team. The risk of incurring additional costs for returning vehicles early to lease companies if the service was to reduce in numbers during the next couple of years is minimised by the fact that other older vehicles could be sold or returned without incurring costs.

5. POLICY IMPLICATIONS

Priority 6 for the Council identifies that the Council will ‘make your money go further’, which this report aims to provide.

The procurement of new vehicles will add to the list of current fleet vehicles that are fitted with the latest Euro VI engines. These have cleaner fuel technology therefore reducing CO² emissions which fits with the Council developing a local response to the global climate emergency.

6. FINANCIAL IMPLICATIONS

The Council would seek to finance the purchase of the 6 new vehicles through a “sale and lease back” deal. Assuming this was the best option, the Council would lease the vehicles over a five-year period, to be borne by the Corporate Building Team revenue budget.

If leasing was not the most economic or a viable option, the Council would finance the vehicles through prudential borrowing. The Corporate Building Team budget would then be adjusted to finance this cost.

Once the procurement process has taken place if any savings are achieved the Corporate Building Team budget will be reduced accordingly and the saving set aside to contribute to Council saving requirements.

7. LEGAL IMPLICATIONS

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 six new vans 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 Head of Property and Projects 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 and published if applicable.

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| CONTACT OFFICER: | Neil Bolton, Fleet Transport Manager |
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| DATE: | 13/08/2019 |
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| BACKGROUND PAPER: | Procurement guidelines for the Council. |
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