



EXECUTIVE BOARD DECISION

REPORT OF: Executive Member for Environmental Services

LEAD OFFICERS: Director of Environment and Operations

DATE: 13th February 2020

PORTFOLIO/S AFFECTED: Environmental Services

WARD/S AFFECTED: All

KEY DECISION: YES NO

SUBJECT: Replacement of vehicles for the Environment and Highways Teams

1. EXECUTIVE SUMMARY

The Council's vehicle replacement programme has identified that the Environment and Highways Teams have a number of vehicles that are too old and need replacing and have a number of hired vehicles on the fleet.

The Environment Street Cleansing Team has two bulky collection vehicles that are thirteen years old and need replacing. The Environment Pest Control Team has two vehicles that are fourteen and sixteen years old that need replacing.

The Highways team has two 7.5 tonne tippers that are 16 and 17 years old and need replacing. There are five 3.5 tonne tippers that are hired in and need replacing with our own fleet vehicles. There is a gritter and a Blacksmiths van that are both 14 years old and need replacing. The telescopic loadall that is shared by Highways and the Environment Team is currently hired in and needs replacing with our own fleet vehicle. There is also a van that is 14 years old and a minibus used by the Parking Team that is 14 years old and both need replacing.

2. RECOMMENDATIONS

It is recommended that Executive Board;

1. authorise the replacement of these old and hired vehicles as part of the Council's vehicle replacement programme and
2. authorise an initial increase in the capital programme of £532,000 in respect of the estimated costs, but note that following purchase, Officers would seek to enter into a 'sale and leaseback arrangement' if it was financially beneficial to do so.

3. BACKGROUND

The Council has two frontline vehicles that are utilised for bulky collections, fly tipping and bin deliveries throughout the Borough. The two vehicles are now thirteen years old and becoming increasingly unreliable with increased maintenance costs, resulting in the vehicles being off the road, replacement considered for hiring in at additional costs, plus also lost productivity for the aforementioned collections. These vehicles must be fit for purpose to ensure that the work is completed and income generated from the bulky collection service and trade waste service, as well as ensure that fly tipping is removed in a speedy fashion.

The Council has four frontline vehicles that are utilised by the Environment Pest Control team. Two of these vehicles are thirteen and sixteen years old and becoming increasingly unreliable with increased maintenance

costs resulting in the vehicles being off the road, replacement considered for hiring in at additional costs, plus also lost productivity for staff who are unable to attend appointments made for residents who report pest infestations. For one of these vehicles, we can no longer procure certain parts for and the other is at the stage where it is no longer economically viable to keep spending money on maintenance.

The Highways Team has a fleet of tippers that it utilises for the repair and maintenance of the roads and footpaths within the borough. Two of these are 16 and 17 years old and becoming increasingly unreliable, resulting in the vehicles being off the road, which has a knock on effect on productivity. Five of these tippers are hired in and 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 costs would be nominal for the first three years due to the three-year's warranty placed on the vehicles by the dealerships. Should the Highways Team need to reduce in size over the coming years then five other tippers could be returned to the leasing companies.

The Highways team has a fleet of six gritters and a loading shovel for loading the salt. The oldest gritter is almost 15 years old and is becoming unreliable. Replacing this would also free up the newer demountable gritter so that it can be used for carrying tarmac during the winter periods without the need for keep swapping over the demountable bodies. The loading shovel that is currently hired in is used for loading the gritters with salt, loading the tippers with stone and used by the Environment Team in the Waste Transfer Station. This is not the most economical way of providing a vehicle and significant savings would be achieved from purchasing a Council owned vehicle.

The Highways Team has a box van that is used by the Blacksmiths and is almost 15 years old and becoming increasingly unreliable. The corrosion on the underside of the vehicle is at the point where extensive plating and welding will be required in the future and is at the stage where it is no longer economically viable to keep spending money on maintenance.

The Highways Parking Team have a minibus that is also almost 15 years old and needs replacing due to reliability issues. At the same time, the Head of Highways would like to purchase an electric van to replace the 65-plate van currently used by the Parking team. The 65-plate van would then be utilised by the Highways supervisors in place of their current van that is almost 15 years old.

4. KEY ISSUES & RISKS

The main cause for concern in not replacing these vehicles would be reliability, which could result in a shortage of vehicles to provide the services, thus affecting service delivery around the borough and jeopardising the income generated by the Department, as well as customer service.

5. POLICY IMPLICATIONS

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

6. FINANCIAL IMPLICATIONS

The estimated capital costs of the replacement of the vehicles is £532,000.

The Council would seek to finance the purchase of the 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, with the lease costs to be borne by the Environment and Highways revenue budgets.

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

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.

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 Head of Environment, Head of Highways and the Highways Operations manager 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.

VERSION:	1
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CONTACT OFFICER:	Martin Eden, Director of Environment and Operations Neil Bolton, Fleet Transport Manager
DATE:	05/12/19

**BACKGROUND
PAPER:**

Procurement guidelines for the Council.