



COTSWOLD DISTRICT COUNCIL

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 7 SEPTEMBER 2020
Report Number	AGENDA ITEM 13
Subject	ENVIRONMENTAL SERVICES FLEET REPLACEMENTS 2020/21
Wards affected	ALL
Accountable member	Cllr Andrew Doherty, Cabinet Member for Waste, Flooding and Environmental Health Email: Andrew.Doherty@cotswold.gov.uk
Accountable officer	Scott Williams, Business Manager – Waste Email: scott.williams@publicagroup.uk
Summary/Purpose	The purpose of this report is to present Cabinet with the Ubico environmental services fleet replacement plan for 2020/21
Annexes	Annex A – Fleet Replacement Plan 2019 - 2029
Recommendation/s	<i>It is recommended that Cabinet:</i> <i>a) Approves the high level replacement plan for the next 8 years.</i> <i>b) Approves the procurement of the replacement vehicles during 2020/21 as set out in this report.</i>
Corporate priorities	The waste, recycling and street cleansing services provided by Ubico perform the authorities statutory function and contribute towards the Council priority: Respond to the challenges presented by the Climate Change Emergency
Key Decision	YES
Exempt	NO
Consultees/ Consultation	The following people have all been consulted on this report and the detail contained within: Cllr Joe Harris, Cllr Andrew Doherty Chief Finance Officer, Monitoring Officer, Interim Chief Executive, Publica leadership team. Ubico Head of Fleet

1. BACKGROUND

- 1.1.** Cotswold District Council is a shareholder in Ubico Ltd; a company which is owned by local authorities in Gloucestershire and Oxfordshire. This local authority company ownership model is commonly referred to as a Teckal arrangement and it enables Councils to commission services without the costs associated with an EU procurement process. Ubico delivers environmental services on behalf of the Council at a price which reflects the actual cost of service provision.
- 1.2.** As part of the Teckal model, Ubico holds no assets and so the depot it operates from, the vehicles it uses to perform the services and the waste and recycling containers which are provided to residents, are all owned by the authority.
- 1.3.** Ubico manages the environmental services vehicle fleet on behalf of the Council and is recommending a Fleet Replacement Plan to the Council. The recommended Fleet Replacement Plan is shown at Annex A. The Plan identifies each vehicle owned by the Council, the vehicles expected lifespan (guided by industry norms), when the vehicle is expected to require replacement and the expected replacement cost of the replacement vehicle.
- 1.4.** The Plan is appraised and amended regularly taking into account new legislation, market price changes, specification, service requirements and Council policy (e.g. use of alternative fuelled vehicles). The recommended Plan, covers the life of the Council's Medium Term Financial Strategy and will be provided to the Council each year as part of the Council's budget setting cycle.
- 1.5.** Ubico monitors the vehicles due for replacement and conducts a condition assessment prior to replacement, to understand whether it is more economically advantageous to replace or to continue to use the vehicle. Where the vehicle is not replaced, it rolls forward in to the replacement programme for the following financial year and the cycle is repeated.
- 1.6.** Where a vehicle on the fleet replacement plan is prone to breakdowns and increased maintenance, it is usually economically advantageous to replace it rather than continuing with high repair costs. On occasion, it may be more cost effective for a vehicle due for replacement in a future financial year to be replaced sooner to reduce excessively high maintenance costs. Where this cannot be achieved within the approved annual fleet replacement budget for the current year, it will be reported separately and approval sought from the Council.

2. MAIN POINTS

- 2.1.** Cotswold District Council introduced a new waste and recycling collection service in March 2020 and as part of the preparations for that launch, new waste and recycling vehicles were purchased using a designated service redesign fleet capital budget.
- 2.2.** As a result of improved commissioning and procurement, the Council made a saving on the vehicles it purchased compared to the list price (approximately £120k was saved on the recycling vehicles) and together with budget underspends, the service redesign capital budget was not fully used in 2019/20.

In addition, some of the vehicles scheduled for replacement in 2019/20 weren't replaced before 31st March as a result of delays in the manufacturing of the new vehicles, because of supply chain issues connected with the Covid-19 pandemic.

- 2.3.** The Capital budget for 2020/21 is not sufficient to fulfil the Ubico recommended Fleet Replacement Plan for the year. A proportion of the service redesign vehicle budget from 2019/20 together with the unspent 2019/20 fleet replacement budget have been carried forward into the 2020/21 financial year to fund the gap.
- 2.4.** The vehicles proposed for replacement in this financial year are shown in Annex A and below. Ubico will conduct a condition assessment prior to the commencement of any procurement to establish if the identified vehicle needs to be replaced or if it is more economically advantageous to continue to use the existing vehicle.

Fleet Replacement Plan 2020-21

Schedule of vehicles 2020-21:

Service area	Vehicle type	Year of original purchase	Estimated replacement cost [£]
Refuse collection	RCV - Rear Compaction Vehicle [26tonne]	2010	£185,000
	RCV [26tonne]	NA*	£185,000
Street Cleansing	Sweeper [15tonne]	2015	£160,000
Street Cleansing	Sweeper [4.2tonne]	2013	£60,000
Street Cleansing	Cage	2012	£32,000
Street Cleansing	Cage	2012	£32,000
Street Cleansing	Cage	2012	£32,000
Street Cleansing	Cage	2012	£32,000
Street Cleansing	Cage	2012	£32,000
Grounds Maintenance	Tractor	2000	£75,000
Street Cleansing	Quad Bike	2014	£28,000
Refuse	RCV [26tonne]	2008	£185,000
Refuse	RCV [26tonne]	2008	£185,000
Refuse	RCV [26tonne]	2008	£185,000
Refuse	RCV [26tonne]	2008	£185,000
Refuse	RCV [26tonne]	2010	£185,000
Refuse	RCV [7.5tonne]	NA*	£90,000
Grounds Maintenance	Push Mower	NA*	£6,000
Grounds Maintenance	Push Mower	NA*	£6,000
Street Cleansing	Sweeper [15tonne]	NA*	£150,000
Workshop	Workshop panel van	NA*	£25,000
Workshop	Workshop panel van	NA*	£25,000
TOTAL	22 x vehicles		£2,080,000

*NA = replaced based on amount of time/mileage used rather than a replacement date

3. FINANCIAL IMPLICATIONS

- 3.1. The fleet replacement budget for 2020/21 is £1,410,000.
- 3.2. Due to vehicles not being replaced in 2019/20 a carryover of £670,000 has been made using a proportion of the unspent service redesign budget and the remaining fleet replacement budget.
- 3.3. The total fleet replacement capital budget for 2020/21 is therefore £2,080,000

4. LEGAL IMPLICATIONS

- 4.1. All purchases of waste, recycling and street cleansing vehicles are completed using agreed procurement guidelines and approved frameworks.

5. RISK ASSESSMENT

- 5.1. Without adequate and reliable waste, recycling and street cleansing vehicles, Ubico would not be able to effectively perform the service for the Council resulting in service failure, complaints from residents and members of the public and reputational damage to the authority and Ubico.
- 5.2. Utilising vehicles which are prone to significant mechanical failure increases costs for maintenance and hire vehicles.

6. EQUALITIES IMPACT

- 6.1. The recommendations within this report will have a neutral effect on different service users, customers and staff, although without effective replacement of end of life vehicles, the services performed will be negatively affected and this would result in a detrimental effect to all.

6.2. CLIMATE CHANGE IMPLICATIONS

Newer vehicles have technological advancements and are commonly better for the environment by offering greater economy and less harmful emissions being generated. In addition, Ubico always examines the use of alternative fuels when formalising the specification for every vehicle.

7. ALTERNATIVE OPTIONS

- 7.1. The alternative option to vehicle replacement would be to spot hire or long term lease, both of which would result in additional costs for the authority.
- 7.2. Ubico could consider a holistic approach to the entire vehicle fleet which operates across all the local authority contracts. However, this will require a collaborative approach across several of the local authority contracts with service consistency and therefore this is a longer term objective.

8. BACKGROUND PAPERS

- 8.1. None.
- (END)