

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Executive Committee
<b>Date of Report:</b>	7 June 2017
<b>Subject:</b>	Provision of Workshop Equipment for Maintaining Council Vehicle Fleet
<b>Report of:</b>	Peter Tonge, Head of Community Services
<b>Corporate Lead:</b>	Robert Weaver, Deputy Chief Executive
<b>Lead Member:</b>	Lead Members for Clean and Green Environment and Finance and Asset Management
<b>Number of Appendices:</b>	None

## **Executive Summary:**

The Chief Executive was asked to consider using the Urgency Powers delegated to him to approve a request from Ubico to purchase workshop equipment outside the approved budgetary framework for maintaining the Council's new vehicle fleet.

## **Recommendation:**

**That the Executive Committee NOTE the decision of the Chief Executive, in consultation the Lead Members for Clean and Green Environment and Finance and Asset Management, to use his urgency powers as allowed under the Constitution for the purposes of expending £44,420.60 for the purchase of workshop equipment.**

## **Reasons for Recommendation:**

The Council recently purchased a new fleet for the purposes of collecting waste and recycling etc. There had been no consideration or budgetary provision made for the replacement of the workshop equipment at any stage of the options appraisal to procure a new vehicle fleet and, at the time of the request to the Chief Executive, Ubico had only recently brought this to the Council's attention.

The request was urgent on the basis that the equipment needed to be procured and installed prior to the arrival and operation of the new vehicle fleet. If this request was made through the normal Committee process, it would incur a delay which would not have allowed the equipment to be sourced and installed in time. This in turn would have compromised Ubico's Fleet Vehicle Operator's Licence and could also have had a negative impact on service delivery.

## **Resource Implications:**

One off capital expenditure for workshop equipment purchase £44,420.60.

Ubico has confirmed that the Council will not need to make additional ongoing budgetary provision for the repair and/or replacement of the workshop equipment over the duration of the life of the vehicle fleet, as this will be covered within the fleet maintenance budget.

## **Legal Implications:**

1. In its approach to delivering the waste, recycling, street cleansing and grounds maintenance

services the Council aims to fully comply with all relevant legislation, including:

- Waste Regulations (England and Wales) Regulations 2011 (Amended 2012);
- Environmental Protection Act 1990; and
- Health & Safety at Work etc., Act 1974.

Servicing and maintaining the vehicles used to deliver the front line services in accordance with the manufacturers' recommended timescales and repairing them when they break down is integral to the Council's obligation to provide the services under the legislation.

2. Ubico are holders of the Vehicle Operator's Licence as issued by the Traffic Commissioner, which is required to operate the Council's vehicle fleet and as such must keep all vehicles safe and in good condition at all times; a failure to do so could compromise the license and the ability to operate the fleet. The legislation includes:

- Goods Vehicles (Licensing of Operators) Act 1995;
- Goods Vehicles (Licensing of Operators) Regulations 1995;
- Road Transport Operator Regulations 2011; and
- Goods Vehicles (Licensing of Operators) (Fees) Regulations.

3. The vehicle fleet will remain in the ownership of Tewkesbury Council and will be hired by Ubico in accordance with the hire agreement dated 1 April 2015 between the Council and the company. The hire agreement will need to be varied to include the new vehicles, which is permitted under the agreement. The workshop equipment will remain in the ownership of the council and this too should be incorporated into the agreement.

#### **Risk Management Implications:**

The risk of not having suitable facilities or equipment in place to maintain the vehicle fleet was not considered as part of the vehicle procurement process, nor was it incorporated into the risk register of the vehicle procurement project.

The safe delivery of front-line services including refuse collection, recycling, street cleansing and grounds maintenance carry a degree of risk to the workforce, the public, property and vehicles. Vehicles must be maintained correctly in order to meet the required standards of safety and service levels.

#### **Performance Management Follow-up:**

The holder of the Vehicle Operator's Licence must keep the vehicles safe and in good condition at all times. They have to keep records of all safety inspections and maintenance work for a minimum of 15 months. The records must include:

- vehicle details;
- a list of all items to be inspected;
- when and by whom the inspection is carried out;
- the result of the inspection;
- details of any work carried out;
- a declaration that any defects have been properly fixed.

Performance will be monitored in conjunction with the Gloucestershire Joint Waste Team and reported through the Environmental Service Partnership Board, the Ubico Contract Management Meetings and the Overview & Scrutiny Committee.

#### **Environmental Implications:**

All vehicles are specified to meet the latest European emission standards and are Euro 6 compliant, but must be maintained in accordance with the manufacturer's specifications in order

to remain compliant and reduce harmful emissions to a minimum.

## 1.0 INTRODUCTION/BACKGROUND

- 1.1 In 2014 the front-line delivery of the waste, recycling, street cleansing and grounds maintenance services was transferred to the local authority owned company Ubico.
- 1.2 Under the current service arrangements, the vehicles used by Ubico to deliver the services on behalf of the Council were contract hired through CP Davidson Ltd., but this service agreement terminated at the end of March 2017.

In February 2016, it was decided that the Council would invest £3.25m in a vehicle replacement programme, purchasing the fleet through a competitive tendering process under the Public Contract Regulations 2015, using a public sector procurement framework.

- 1.3 Ubico has taken over the operation of the new vehicle fleet on behalf of the Council including all servicing, repair and maintenance of the vehicles.

## 2.0 ISSUES FOR CONSIDERATION

- 2.1 Ubico have made a representation to the council requesting the provision of new workshop equipment and tools.

- 2.2 The specification for the equipment and tools was been submitted to local suppliers of garage workshop equipment and three quotations were provided.

The quotation that represented the best value for money to the Council and that met Ubico's specification was via Cotswold Engineering at a cost of £44,420.60 (excluding VAT).

- 2.3 There had been no budgetary provision made for this additional capital expenditure, however, as a result of the vehicle procurement process being achieved under budget, there was a surplus available in the region of £57,845. It was possible therefore, that the underspend from that approved budget could be utilised to cover these additional costs without the need to draw on the Council's reserves:

Description	Amount
Total capital budget approved for vehicle fleet procurement (including a contingency for additional costs)	£3,250,000
Budget allowance for vehicles	£3,099,000
Indicative costs of vehicles	£3,170,030
Total cost of vehicles, plus ancillary equipment radios & installation	£3,192,155
<b>Total remaining budget available</b>	<b>£57,845</b>

- 2.4** The one off capital costs for the purchase of the workshop equipment should be sufficient for the lifespan of the vehicle fleet; however an ongoing replacement programme will need to be factored into the Council's budget setting process for future years.
- 2.5** For operational efficiency, the equipment will be used by Ubico to service and maintain vehicles from other Councils operating their fleet from the Swindon Road depot, i.e. Cheltenham Borough Council; however, the arrangements will be reciprocal as Tewkesbury Borough Council's vehicles will also benefit from using Cheltenham's facilities.
- 2.6** If the purchase of the equipment was not approved or was subject to a delay, then the following potential risks were been identified:
- Ubico's Vehicle Operator's Licence may be compromised.
  - The Council's new vehicle fleet will not be able to be maintained in accordance with the manufacturers' specifications, potentially invalidating any warranties.
  - Council service delivery may be compromised if vehicles can not be maintained and kept fully operational.
  - The Council may face additional costs if Ubico have to utilise external workshop facilities or third party garage facilities.

### **3.0 OTHER OPTIONS CONSIDERED**

- 3.1** The Council asked Ubico to identify other temporary options, but none were identified for consideration.

### **4.0 CONSULTATION**

- 4.1** The Lead Members for Clean and Green Environment and Finance and Asset Management were consulted and kept informed during the period since Ubico requested these additional resources.

### **5.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

- 5.1** The following Council policies are relevant to this report:
- Health, Safety and Welfare Policy;
  - Environment Policy 2010-2020; and
  - Council Plan 2016-2020.

### **6.0 RELEVANT GOVERNMENT POLICIES**

- 6.1** The following government legislation and guidance is relevant to this report:
- Waste Regulations (England and Wales) Regulations 2011 (Amended 2012);
  - Environmental Protection Act 1990;
  - Health & Safety at Work etc., Act 1974;
  - Lifting Operations and Lifting Equipment Regulations 1998;
  - Provision and Use of Work Equipment Regulations 1998;
  - Goods Vehicles (Licensing of Operators) Act 1995;
  - Goods Vehicles (Licensing of Operators) Regulations 1995;

- Road Transport Operator Regulations 2011; and
- Goods Vehicles (Licensing of Operators) (Fees) Regulations.

## **7.0 RESOURCE IMPLICATIONS (Human/Property)**

- 7.1** The proposed additional resources was utilised to fund the purchase of workshop tools and equipment for vehicle maintenance as per the cheapest quotation of £44,420.60.
- 7.2** All installation costs and any additional Ubico staff training costs were covered under the quotation.

## **8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**

- 8.1** The new vehicle fleet has been specified to meet the latest European emission standards and are Euro 6 compliant. Maintenance in accordance with the manufacturers' recommended schedules and timescales will ensure that the vehicles operate efficiently.

## **9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health & Safety)**

- 9.1** The cost of provision of workshop equipment was contained with the existing approved capital budget for vehicle replacement. The three quotations had been obtained in order to achieve the best value for money.
- 9.2** Failure to correctly maintain the Council's vehicle fleet had potentially detrimental health and safety implications for the Council.
- 9.3** The ongoing maintenance and safety testing requirements under the Health and Safety at Work etc., 1974 Act, the Provision and Use of Work Equipment Regulations 1998 and the Lifting Operations and Lifting Equipment Regulations 1998 (LOLER), will be met by Ubico through the fleet maintenance revenue budget.

## **10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

- 10.1** At the Executive Committee on 3 February 2016 and Council on 18 February 2016:
- the findings of the Waste Service Review were endorsed; and
  - the allocation of £3.25m from capital resources to fund the vehicle replacement programme was approved.

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**Background Papers:** None.

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