



## OFFICER DECISION RECORD

This form should be used to record Executive decisions taken by Officers

<b>Decision Ref. No:</b>			
<b>Service Area:</b>	<b>Environment (Fleet Management)</b>	<b>Date:</b>	<b>08/07/21</b>
<b>Contact Name:</b>	<b>Graham Farrant</b>	<b>Tel No:</b>	
	<b>Supporting Officers</b> <b>Kate Langdown</b> <b>Mark Parsons</b>		<b>01202 127865</b> <b>01202 128440</b>
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<b>Subject:</b>	<b>Urgent Sustainable Fleet Replacement Procurement Needs</b>		
<b>Decision taken:</b> To progress in advance of Full Council approval (anticipated September 2021) a number of urgent service critical vehicle replacements with long lead in manufacture times that are scheduled around available build slots, which could be lost without a July 2021 commitment to order.			
<b>Background:</b> On 3 July 2021 Cabinet unanimously approved the Council's £31.1m Sustainable Fleet Management Strategy and Fleet Replacement Programme. This includes investment in supporting EV infrastructure required to operate EV vehicles within the fleet. The Cabinet report now requires Council approval, which was originally planned for July 2021, but (because of Covid-19 restrictions) is now postponed to September 2021. <a href="https://democracy.bcpccouncil.gov.uk/ieDecisionDetails.aspx?Id=407">https://democracy.bcpccouncil.gov.uk/ieDecisionDetails.aspx?Id=407</a>			
Because of the significant manufacture lead-in times for fleet vehicle procurement, it is proposed that 18 service critical vehicle purchases included within the Fleet Replacement Plan (FRP) are ordered in advance of September Council approval. These vehicles are currently scheduled to be replaced in year 1 of the FRP. They are now prioritised because they are nearing life expiry, are critical to front line service delivery and have significant manufacturer lead-in times. The vehicles are expected to cost £4,360k, as summarised below: <ul style="list-style-type: none"><li>• 5 x Dennis Eagle Electric Refuse Freighters £2,000k</li><li>• 12 x Dennis Eagle Standard Refuse Freighters £2,220k</li><li>• 1 x Iveco Stralis 26t Grab tipper lorry £140k</li></ul> Total spend (18 vehicles) £4,360k			

Approval is also sought to progress with £390k of upgrade works to electricity infrastructure at Hatchpond Depot to support the transition to electric vehicle replacements. 5 of the 18 vehicles proposed to be acquired in advance of Council approval will require access to EV infrastructure.

Total Fleet Replacement Plan spend to be incurred in advance of Council approval is therefore £4,750k from a total proposed request of £17.8m for the 21/22 element of the plan and overall plan investment value of £26.92m over 3 years.

**Reasons for the decision:**

Failure to move ahead with the Fleet Replacement Plan and associated Sustainable Fleet Management Strategy places the authority at risk as vehicles reach end of life of repeated statutory service failure, associated reputational damage, increased revenue budget pressure and potential for breach of its Operator Licence compliance.

The vehicles detailed within this Decision Record have reached end of economical life and have extended lead in manufacturing timelines with provisional build slots booked in accordance with procurement processes in the knowledge of a planned Full Council meeting of the 13<sup>th</sup> July 2021 decision. Due to a delay in lifting Covid-19 restrictions a decision was taken to cancel the meeting delaying approval. The impact of this delay until the planned next Council meeting of 14<sup>th</sup> September places BCP Council at risk of losing provisional build slots if confirmed orders cannot be reached in advance. The vehicle manufacturer is experiencing high demand and is in a position to offer unsecured build slots to other customers which would result in extending the period before securing receipt of replacement vehicles estimated at this time to be 6 months and consequently increasing the risk of interim hire costs and/or service disruption to the Council. At the present time the service has 7 vehicle breakdowns impacting service performance a pattern that will increase until replacements are secured as existing fleet reaches end of life.

The release of £390k to upgrade electricity supply to the Depot underpins the strategy, without it orders for the 5 x ERCV's within this report cannot progress. Funding sources have already been secured via existing MHCLG Waste Infrastructure Grant.

**Consultation:**

The following have been consulted and agree with the proposed decision:

- Chief Operations Officer - BCP Council
- Director of Environment – BCP Council
- Director of Finance – BCP Council
- Director of Law & Governance – BCP Council
- Portfolio Holder for Environment
- Portfolio Holder for Growth & Infrastructure

**Summary of Financial Implications:**

The £390k EV infrastructure works will be funded from unallocated Waste Infrastructure Grant funding received by the Council. This is historic unapplied capital grant funding from previous years. The use of this grant as funding for EV infrastructure works is in accordance with Waste Infrastructure Grant conditions.

The £4,360k for 18 vehicle replacements will be funded from Prudential borrowing (over 8 years), with annual borrowing repayments commencing in 2022/23. Annual borrowing repayments have already been factored into the MTFP (see main FRP report for Council

review September 2021).

Both the EV infrastructure and 18 vehicles are included as 2021/22 planned spend within the main FRP report, which Council will consider in September 2021

<https://democracy.bcpccouncil.gov.uk/ieDecisionDetails.aspx?Id=407>. The full financial implications of this decision are therefore the same as the main FRP report.

£2.1m unspent capital budget carried forward from 2020/21 for fleet replacement has either been spent during QTR 1 2021/22 or is committed by way of orders placed.

The financial risk of not progressing with this ODR, and waiting for formal Council approval in September 2021 is risk of increased hire costs as the vehicle reaches life expiry.

The risk of Council not approving the overall FRP (of which this ODR is an element) is assessed as low. The paper has already been cleared by Overview & Scrutiny Committee, unanimously agreed by Cabinet and is a continuation of work already started in previous administrations.

**Name: Adam Richens**

**Date: 21/7/2021**

**Signature (of Chief Finance Officer):**

Redacted

#### **Summary of Legal Implications:**

In procuring the new vehicles, the Council must ensure that it complies with the Public Contracts Regulations 2015. It is understood that advice on the procurement method in respect of the replace vehicles and upgrade works has been sought from the Council's procurement team and that the legislative requirements will be met.

Due to the level of proposed expenditure, this decision would ordinarily be required to be taken by full Council (as outlined above). Under Article 15.2 of Part 3 of the Council's Constitution, the Chief Executive may authorise action and incur expenditure where urgent action is necessary to protect the Council's interests or enable it to undertake its statutory duties provided he has first consulted with the Leader of the Council (or the Deputy Leader if the Leader is absent), the Monitoring Officer and Section 151 Officer.

The reasons for such urgency should be clearly understood and articulated in the body of the decision record. It must also be published and then reported to the next meetings of both Cabinet and full Council.

**Name: Susan Zeiss**

**Date: 22 July 2021**

Redacted

**Signature (of Monitoring Officer):**

#### **Risk Assessment:**

A lack of serviceable refuse vehicles will impact the Council's ability to deliver front line statutory services.

Any further delay in procurement risks losing the provisional replacement vehicle build slots which could push the replacements back a further 6 months. To keep the service

running during this extended period the Council would need to spend a considerable amount of money repairing vehicles that are at end of life and no longer providing value of money in ongoing investment and/or hiring in expensive replacements for those that are simply beyond any reasonable repair.

It is not unrealistic to see an increase in weekly market place hire costs of around £12k for 6 months if vehicles fail.

**Decision Impact Assessments:**

<https://democracy.bcpccouncil.gov.uk/documents/s26515/Appendix%20C%20-%20Decision%20Impact%20Assessment.pdf>

**Summary of equality implications:** None

**Information for publication**

**Background Papers**

<https://democracy.bcpccouncil.gov.uk/ieDecisionDetails.aspx?Id=407>

Any declaration of interest by the Officer responsible for the decision		Nature of Interest	
No			
Any conflict of interest declared by a Cabinet Member who is consulted by the Officer taking the decision	Name of Cabinet Member	Nature of interest	Details of any dispensation granted by the Monitoring Officer
No			

**Decision taken by: (print name and designation)** Graham Farrant, Chief Executive, BCP Council

**Signature:** Redacted

**Date of Decision:** 22 July 2021

**Date Decision Effective:**

**Date of Publication of record of decision: (to be inserted by Democratic Services)**

**Note: A record of this decision should be kept by the Service Area within which the decision falls.**