

<b>Title of Report:</b>	<b>Replacement Vehicles</b>
<b>Committee Report Submitted To:</b>	<b>Environmental Services</b>
<b>Date of Meeting:</b>	<b>9<sup>th</sup> June 2020</b>
<b>For Decision or For Information</b>	<b>Decision</b>

<b>Linkage to Council Strategy (2019-23)</b>	
Strategic Theme	Protecting and enhancing our natural environment
Outcome	Our natural assets will be carefully managed
Lead Officer	Head of Estates

<b>Budgetary Considerations</b>	
Cost of Proposal	£128,825 (4no. vehicles)
Included in Current Year Estimates	<b>YES/NO</b>
Capital/Revenue	Capital
Code	
Staffing Costs	

<b>Screening Requirements</b>	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	No	Date:
	EQIA Required and Completed:	No	Date:
Rural Needs Assessment (RNA)	Screening Completed	No	Date:
	RNA Required and Completed:	No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	No	Date:
	DPIA Required and Completed:	No	Date:

## 1.0 Purpose of Report

Estates are responsible for the maintenance and up keep of Council Assets. To function properly Estates require a range of different vehicle types to carry plant (eg. lawnmowers, excavators etc), materials (soil, sand, stone etc) and labour to various locations. As these vehicles age there comes a time when they become uneconomical to repair so need replaced

## 2.0 Background

Over recent years Estates have endeavoured to prioritise the replacement of ageing vehicles within capital expenditure constraints. However, funding has not allowed for replacement of all vehicles as they reach the end of their natural lives resulting in lease/hire costs being incurred. Members asked that consideration be given to reducing hire/lease costs and, if appropriate, purchase replacement vehicles. In 20/21 4no. tipper lorries have been identified for replacement.

### Tipper No1

**7.5t vehicle** originally purchased 1999 and subsequently auctioned in 2018 (aged 19) as uneconomical to repair. Currently hiring a replacement vehicle at £13,440/annum. Equivalent new vehicle would cost £47,194 but a second hand one (2018) at £38,000 has been identified as a cheaper suitable replacement.

This vehicle is used to carry plant, equipment, materials and labour to undertake building maintenance tasks. It also tows a trailer carrying an excavator **Cost to replace £47,194 (£38,000 2<sup>nd</sup> hand if vehicle still available)**

### Tipper Nos 2, 3, 4

3.5t vehicles all bought between 2001 and 2003 and subsequently sent to auction over the past two years as uneconomical to repair. Currently hiring replacements at £4,752/annum each.

These vehicles are used throughout the Borough within Grounds Maintenance. They are used transport lawnmowers, turf, plants etc and tow trailers (carrying mowers/excavator). **Cost to replace £27,210 each (£81,630)**

Essential Fleet capital expenditure funding can be used for these purchases.

See Appendix 1 for outright purchase/lease purchase/hire cost comparison for these and other vehicles.

## 3.0 Options

- 3.1 Option A – continue to hire (Total £110,784 over 4 years for 4 vehicles – no ownership)

3.2 Option B – lease/purchase replacements (Total £164,804 to own 4no. vehicles after 4 years)

3.2 Option C – purchase up front (£128,825 for 4no. vehicles)

#### **4.0 Recommendation(s)**

**It is recommended** that the Environmental Committee recommends to Council the purchase of 3no. 3.5t tippers and 1no. 7.5t tipper (Option C) at a cost of £128,825

Appendix 1

	Use	Current Status	Cost
Tipper 1 (7.5t)	Will be used in Bmoney/Moyle area for building maint. Original vehicle was 19 years old and was auctioned off 2 years ago. Currently hiring at <b>£11,000/year</b> . Used regularly so not possible to 'share' with Ops	We have already incurred 2 years hire costs of £22,000 as funds not available to replace - spent on other priorities	£47,000 but have identified 2nd hand tipper (2018) at <b>£38,000</b> . Will pay off in under 3.5 years versus hire costs
Tippers 2,3,4 (3.5t)	Originals bought between 2001 and 2003 - since sent to auction. Hired vehicles costing <b>£5,200/year</b> each. Used daily by Grounds Maintenance (carrying and towing lawnmowers etc)	We have been hiring 2 of these tippers for 4 years at a cost of approx. £20,000 each. Again, capital wasn't there to replace	<b>£28,664</b> each. Will pay off in 5.5years versus hire costs