

**EXECUTIVE BOARD – 22 APRIL 2014**

<b>Subject:</b>	Vehicle Replacement Programme		
<b>Corporate Director(s)/ Director(s):</b>	John Kelly, Corporate Director for Community Services Andy Vaughan, Strategic Director for Commercial and Neighbourhood Services		
<b>Portfolio Holder(s):</b>	Councillor Jane Urquhart, Portfolio Holder for Planning and Transportation		
<b>Report author and contact details:</b>	Adrian Hill, Head of Commercial and Transport Services 0115 8765632 <a href="mailto:adrian.hill@nottinghamcity.gov.uk">adrian.hill@nottinghamcity.gov.uk</a>		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Subject to call-in</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b> <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision			<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Total value of the decision:</b> £10.5 million			
<b>Wards affected:</b> All		<b>Date of consultation with Portfolio Holder(s):</b> 28 March 2014	
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter			<input type="checkbox"/>
Cut crime and anti-social behaviour			<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input type="checkbox"/>
Help keep your energy bills down			<input type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
The Council procures vehicles to the value of £3.5 million each year. Approval for the budget for this Vehicle Replacement Programme was granted at Executive Board on 18 September 2012 and provided approval for the capital spend for 2013/14 up to 2015/16. Executive Board is now asked to delegate authority to the Strategic Director for Commercial and Neighbourhood Services to purchase vehicles in accordance with this programme.			
<b>Exempt information:</b>			
None			
<b>Recommendation(s):</b>			
1. To note and approve the application of the Vehicle Replacement Programme for 2014/15.			
2. To delegate authority to the Strategic Director for Commercial and Neighbourhood Services to purchase vehicles under the ongoing Vehicle Replacement Programme for 2014/15 and 2015/16 subject to such purchases being:			
<ul style="list-style-type: none"> <li>• within the budgets agreed by the Executive Board on 18 September 2012;</li> <li>• in accordance with the Council's Financial Regulations and Contract Procedure Rules in respect of any procurement exercises;</li> <li>• in consultation with the Portfolio Holder for Planning and Transportation.</li> </ul>			

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 To ensure the ongoing, cost effective procurement of vehicles to support the Council's front-line services.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 The City Council operates a fleet of 430 vehicles. These are engaged in a variety of tasks with the largest fleet operators being the Waste Management, Public Realm and Highways Services sections. The procurement and operation of these vehicles is essential for the delivery of front line services to our citizens.

- 2.2 The annual capital spend for vehicle replacement is:

2013/14	£3.5m
2014/15	£3.5m
2015/16	£3.5m

- 2.3 The Vehicle Replacement Programme looks to replace vehicles at an 'optimum point' which means there is no automatic replacement at the end of the expected lifecycle for each vehicle or equipment type.

- 2.4 The Fleet Management section, through their expertise, works to assess reliability and maintenance costs and work with the operational area to determine future need.

- 2.5 Executive Board on 17 July 2012 approved the Vehicle Replacement Programme. This Programme had been scrutinised in a Vehicle Acquisition Review which supported the approach being followed and set out 4 key recommendations. Those recommendations have been followed to ensure success in the continuing Programme delivery.

- 2.6 On 18 September 2012 the Executive Board approved the Review of 2012/13 Revenue and Capital Budgets report which included approval for additional investment in the Vehicle Replacement Programme for a further 3 financial years up to 2015/16.

- 2.7 2013/14 has continued with the delivery of the successful Replacement Programme and this will be developed over the next 2 financial years with a continuous improvement approach being taken.

- 2.8 When replacing vehicles Fleet Management have been able to develop a procurement approach that ensures Best Value is attained for meeting operational needs within agreed budgets. The Corporate Procurement Category Manager for transport related matters will be able to provide support to Fleet Management officers to continue to review market opportunities for procuring vehicles, together with building upon the already established procurement forums which the City Council are members of.

## **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 The option to not change the way approval for vehicle replacement is provided was rejected as it would result in ongoing inefficiency and delays in providing

vehicles risking service disruption and potential increase in maintenance or hire costs.

#### **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

- 4.1 There is provision in the capital programme for the procurement of vehicles of £4.187 million and £3.000 million for 2014/15 and 2015/16 as approved as part of the Medium Term Financial Plan at Executive Board in February 2014 to be funded from prudential borrowing.
- 4.2 There are no additional revenue budget implications arising from this proposal as the prudential borrowing costs are included within the Medium Term Financial Plan and will be met from budgets for vehicles that are being replaced.
- 4.3 Analysis undertaken by the Corporate Finance Team found that buying vehicles through prudential borrowing rather than leasing offered the best value for money to the authority.
- 4.4 The Council has access to a number of procurement frameworks which will ensure that the procurement process achieves value for money for the authority and is compliant with Financial Regulations and relevant legislation. For any vehicles not available through a framework an appropriate procurement process will need to be followed.

#### **5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

- 5.1 There are no significant legal implications arising as a result of this report. Legal advice should be sought as required when purchasing any vehicles to ensure that appropriate protection is in place for the council in protecting its assets.

#### **6 SOCIAL VALUE CONSIDERATIONS**

- 6.1 There are no direct social value considerations as a result of this proposal.

#### **7 REGARD TO THE NHS CONSTITUTION**

- 7.1 There is not a requirement to regard the NHS constitution as a result of this proposal

#### **8 EQUALITY IMPACT ASSESSMENT (EIA)**

Has the equality impact been assessed?

(a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)

(b) No

(c) Yes – Equality Impact Assessment attached

**9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

9.1 None.

**10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

10.1 Executive Board report and minutes - Proposed Vehicle Replacement Programme, 17 July 2012

**11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

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