



ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
5 March 2019  
Agenda Item 10

Key Decision [Yes/~~No~~]

Ward(s) Affected: N/A

**Waste & Street Cleansing Vehicle Replacements**

**Report by the Director for Communities**

**Executive Summary**

**1. Purpose**

The purpose of this report, is to seek the consent of the Joint Strategic Committee, to proceed with the purchase of waste and street cleansing vehicles. The budget for these vehicles is included in the 2018/19 Capital Investment Programme.

**2. Recommendations**

2.1 Recommendation One

- The Joint Strategic Committee is recommended to approve the acquisition of the waste and street cleansing vehicles included in the 2018/19 Capital Investment Programmes as set out in this report.

### **3. Context**

3.1 Each year a number of the council's fleet vehicles used for frontline services reach the end of their initial working lives. To facilitate replacements, a rolling programme is provided by the Transport section and financed via the Capital Investment Programmes.

3.2 Despite a scheduled approach, vehicles are not replaced as a matter of course, each vehicle undergoes a comprehensive assessment of its physical condition as well as its ongoing suitability to perform the task to which it is deployed. This assists in managing costs and maximising returns from our vehicle assets.

### **4. Issues for consideration**

4.1 It is proposed that 5 vehicles are procured in the financial year 2018/19, all are like for like replacement vehicles. The vehicles for replacement are listed below:

- 1 x 18 tonne twin compartment refuse vehicle
- 1 x 15 tonne road sweeper
- 1 x 3.5 tonne road sweeper
- 1 x 7.5 tonne flatbed tipper with tail lift
- 1 x 3.5 tonne graffiti removal vehicle

All of these vehicles have come to the end of their economically useful life. Replacement at this time will negate escalating repair costs and will maintain the reliability of the available fleet.

### **5. Engagement and Communication**

5.1 The fleet user sections whose vehicles are due for replacement are fully consulted throughout the procurement process.

### **6. Financial Implications**

6.1 The 2018/19 Capital Investment Programmes for Adur and Worthing Councils include a total provision of £449,500 for the purchase of vehicles detailed in the report. The apportionment of costs for the joint recycling and refuse service is agreed as Adur 36.4% and Worthing 63.6%. For the joint street cleansing service it is Adur 39.4% and Worthing 60.6%. Details of budgets and estimated costs are shown in the following table.

<b>Vehicles</b>	<b>Adur Capital Budget £</b>	<b>Worthing Capital Budget £</b>	<b>Total Capital Budget £</b>
1 x 15 tonne refuse vehicle	61,880	108,120	170,000
2 x street sweeping vehicles	76,440	117,560	194,000
1 x 7.5 tonne flatbed tipper	17,930	27,570	45,500
1 x graffiti removal vehicle	15,760	24,240	40,000
<b>Totals</b>	<b>172,000</b>	<b>277,500</b>	<b>449,500</b>

6.2 An option appraisal has been completed for each proposed vehicle acquisition which compared the cost of two financing options, these being, Finance Lease OPV and Borrowing OPV. The cash outlays for each option were further discounted to Overall Present Values (OPV) to reflect the relative timing effects on the value of money, which is regarded as a more appropriate indicator of overall cost. The results are summarised in the Table below.

6.3 On an OPV basis, outright purchase by borrowing from the PWLB is the cheapest option for all of the proposed vehicle acquisitions. For this to be the case, prudential borrowing with the principal repaid in full on maturity after 9 years has been applied. This is due to the Councils being able to borrow at a lower interest rate(1.87%) than offered by the leasing companies(2.98%) and the discounting effect of the timing of cash flows. Another advantage of purchase is the opportunity to keep the vehicles in service longer than this term if economically viable, without paying additional lease extension costs.

	<b>Option 1 Finance Lease £</b>	<b>Option 2 Borrowing £</b>
Cost of Principal & Interest		
<b>Vehicles</b>		
18 tonne Twin Compartment	166,216	157,400
15 tonne Road Sweeper	113,245	107,227
3.5 tonne Road Sweeper	75,970	71,921
7.5 tonne Flatbed Tipper	44,089	41,724
3.5 tonne Graffiti Removal	38,694	36,614
<b>Total Vehicle Cost</b>	<b>438,214</b>	<b>414,886</b>

## **7. Legal Implications**

- 7.1 As a waste collection authority, the councils are obliged to have waste collection facilities.
- 7.2 Under section 89 of the Environmental Protection Act, 1990 the Councils are required to keep land under their direct control, which is open to the air and is land (but not a highway) and to which the public are entitled or permitted to have access with or without payment, so far as is practicable, clear from litter and refuse.
- 7.3 The councils have power under section 111 of the Local Government Act, 1972, to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. The procurement of vehicles is ancillary to the above functions
- 7.4 Section 1 of the Localism Act 2011 gives local authorities power to do anything an individual can do provided there is no express provision to the contrary.
- 7.5 The procurement of the vehicles must be carried out in accordance with the councils' contract standing order and the relevant procurement rules.

### **Background Papers**

Capital Investment Programme 2018/19

### **Officer Contact Details:-**

Andy Northeast

Transport Manager

01273 263149

[andy.northeast@adur-worthing.gov.uk](mailto:andy.northeast@adur-worthing.gov.uk)

## **Sustainability & Risk Assessment**

### **1. Economic**

An option appraisal was carried out which has determined that outright purchasing through capital borrowing is the cheapest option for both Councils.

### **2. Social**

Matter considered and no issues identified

#### **2.1 Social Value**

Matter considered and no issues identified

#### **2.2 Equality Issues**

Matter considered and no issues identified

#### **2.3 Community Safety Issues (Section 17)**

Reducing the amount of street litter and keeping the streets clean helps to contribute to the reduction in crime and anti - social behaviour.

#### **2.4 Human Rights Issues**

Matter considered and no issues identified

### **3. Environmental**

Newer vehicles typically have more fuel efficient engines with lower polluting exhaust emissions.

### **4. Governance**

Matter considered and no issues identified