

Report to the Cabinet

Report reference: C-034-2008/09
Date of meeting: 1 September 2008



Portfolio: Corporate Support Services and ICT
Subject: Depot Facilities and Fleet Operations
Responsible Officer: Mike Tipping (01992-564280)
Democratic Services Officer: Gary Woodhall (01992-564470)

Recommendations:

(1) To await the outcome of a strategic review of the Council's depot facilities in accordance with the Corporate Objectives for 2008/09 before implementing the previous in principle decision to close Fleet Operations subject to recommendation (2) below.

(2) That a detailed report on the current financial situation of Fleet Operations be submitted to Cabinet in advance of the report dealing with the strategic review of the depots.

Executive Summary:

To appraise members of the current position in relation to an in principle decision made at their meeting on 31 January 2005 to close the Fleet Operations Section of the then Works Unit.

Reasons for Proposed Decision:

To ensure that the Cabinet has a full appraisal of the strategic value all three depot sites to enable it to make informed decisions as to their future, consistent with the corporate objectives the Council has set for 2008/09 as set out in the Best Value Performance Plan and in the Council's Asset Management Plan in relation to use of resources.

Other Options for Action:

To consider each depot in isolation. This may not lead to the best overall solution for the Council and therefore may not reflect best value or most effective use of resources.

Report:

1. The Cabinet at its meeting on 31 January 2005 made the following decisions:

“(1) That the closure of the Fleet Operations Section of the Works Unit at the Langston Road Depot be agreed in principle;

(2) That a further report be submitted to a future meeting of the Cabinet regarding the detailed arrangements after further consultation with the recognised Trades Unions concerning:

(a) all surplus staff;

(b) the maintenance and repair of the Council's vehicles;

(c) the administration and control of the fleet.”

2. These decisions were made against a background of declining numbers of fleet vehicles and increasing internal recharges for the users of remaining fleet vehicles which questioned the financial viability of the section.

3. An internal Audit report into Fleet Operations in December 2006 referred to the Cabinet's in principle decision and the fact that the further report requested has yet to be submitted. The Audit report confirmed that the recharge figure to vehicle users had reduced as a result of being subsidised by income from external MoT work but still questioned the long term financial viability of the section.

4. Corporate Objective number 8 contained in the Best Value Performance Plan for 2008/09 which was formulated and agreed since the Cabinet decision of 2005 states:

"To undertake a review of the Council's depot facilities within the District with a view to:

- rationalising existing provision*
- the disposal of site(s) surplus to requirements; and*
- the re-provision of suitable depot facilities for the Waste Management and Grounds Maintenance Services."*

5. Following the restructuring of the Council's services into Directorates the Director for Corporate Support Services assumed responsibility:

(a) for the strategic management of Depots generally from 1 April 2008; and

(b) for the management of Fleet Operations based at Langston Road Depot with effect from 1 May 2008.

6. Since the transfer of responsibility in May 2008 the Director of Corporate Support Services has had an informal discussion with the Portfolio holder for ICT and Corporate Support Services about the best way to progress this outstanding matter.

7. There is a clear need to review the future use of all three of the Council's depots to ensure that whatever strategy is adopted meets the operational needs of the Council, whilst at the same time enabling the disposal of any surplus assets in the most effective way to achieve best value.

8. This major review has already commenced in that planning permission for the Langston Road Depot site has been sought and achieved. In addition a constructive

dialogue has begun with the Waltham Abbey Town Council in relation to their and our current and future use/requirements for Town Mead depot. However a project of this nature will take several months to complete as progress will need to be prioritised with other commitments.

9. Should the result of the review of depots indicate that it would be in the Council's interest to progress the disposal of Langston Road Depot; it could take up to two years to identify and develop suitable alternative accommodation into which the required occupants could relocate.

10. Whilst it is acknowledged, as in 2005, that MoT inspections are not part of the Council's core business, the number of these inspections has significantly increased and the income from these inspections helps to reduce the internal recharges to operators of the fleet vehicles for their maintenance.

11. In any event, before Fleet Operations could close, a specification would have to be written and a tendering exercise conducted for the future maintenance of the fleet vehicles.

12. It is suggested therefore that there is little to be gained in closing Fleet Operations in advance of a strategic decision being made about the future use of all the depots, whilst the income the section generates helps to reduce the overall cost of maintaining the fleet vehicles.

13. It is however suggested that a further report be submitted to the Cabinet on the Fleet Operations financial situation in advance of the report on the strategic review of all depot sites.

Resource Implications:

Potential capital income from sale of surplus assets.

Legal and Governance Implications:

Corporate objective number 8 contained in the Best Value Performance Plan 2008/09. Management of the Council's Assets in accordance with the Asset Management Plan.

Safer, Cleaner and Greener Implications:

None directly related to the strategic review.

Consultation Undertaken:

None.

Background Papers:

Internal Audit Report No.403 dated 20 December 2006.

Impact Assessments:

Direct impact on operational effectiveness of Council services if not managed in an effective way.