

Report to the Cabinet

Report reference: C-001-2011/12

Date of meeting: 6 June 2011



**Epping Forest
District Council**

Portfolio: Environment

Subject: Capital Allocation for Replacement Refuse Freighters in 2012/13

Responsible Officer: Qasim (Kim) Durrani (01992 564055)

Democratic Services Officer: Gary Woodhall (01992 564470)

Recommendation:

(1) To allocate £1.0 million within the capital programme for 2012/13 for the procurement of seven refuse freighters.

Executive Summary:

There are a total of 23 refuse freighters in the operational fleet managed by Sita, the Council's waste service provider. Of these, 19 are owned by the Council and 4 by Sita. Seven freighters will reach the end of their operational lives during 2012/13 and capital provision is being sought to enable their replacement.

Reasons for Proposed Decision:

Refuse freighters have a nominal operational life of up to seven years. Beyond this timespan the costs of maintenance and the effects of operational downtime become significant generating additional service costs and service disruption.

Other Options for Action:

Vehicles could be procured by Sita and then charged back to the Council or the Council could lease them instead of using capital for outright purchase. In previous procurement exercises the costs associated with capital purchase have always proven to provide best value, but the alternatives will be re-considered as the actual procurement date gets closer.

Report:

1. Refuse freighters have a nominal operational life of up to seven years. Beyond this timespan the costs of maintenance and the effects of operational downtime become significant generating additional service costs and service disruption
2. There are a total of 23 refuse freighters in the operational fleet managed by Sita, the Council's waste service provider. Of these, 19 are owned by the Council and 4 by Sita. Seven freighters in the fleet are being replaced during 2011/12, the cost being in the region of £930,000. Seven further freighters also meet this age milestone during 2012/13 and there is therefore a requirement to make provision to finance their replacement.
3. It is therefore recommended that £1.0 million be allocated within the 2012/13 capital

programme for this procurement exercise to be undertaken.

Resource Implications:

As part of the procurement exercise a comparison will be made between the Council using its own capital resources, the Council leasing the vehicles and the vehicles being procured directly by Sita and charged back through the contract. The most cost effective option will be selected. Recent procurements have resulted in the use of capital being the most cost beneficial. Therefore, based upon that fact and making allowances for future inflation, it is suggested that £1 million be allocated within the capital programme.

Legal and Governance Implications:

Relevant statutory authorities for the waste service include the Public Health Acts, the Environmental Protection Act 1990, the Controlled Waste Regulations 1992, the Local Government & Finance Act 1988 and the Household Waste & Recycling Act 2003. The contract with Sita provides for the provision of freighters either directly by the Council or via Sita. All vehicles remain in the possession of the Council upon the cessation of the contract for use in future contracts.

Safer, Cleaner and Greener Implications:

The provision of a waste and recycling collection service is a key component of the Council's "Safer, Cleaner, Greener" strategy. A disruption of this service through freighter downtime could have an adverse impact on the street scene in the district.

Consultation Undertaken:

None at this time

Background Papers:

Portfolio Holder Decision ENV-008-2010/11.
Contract between the Council and Sita UK.

Impact Assessments:

Risk Management

If the Council does not replace old vehicle then the contractor will incur higher maintenance costs and if these costs are seen to be unreasonable then they could seek to pass on to the Council. There is a reputational risk to the Council if it is perceived to be acting irresponsibly in not maintaining it's waste and recycling fleet.

Equality and Diversity:

Provision of adequate waste and recycling collection is a key function of the Council. If there are frequent breakdowns then this service could be affected. A service disruption would affect all members of the community. However the impact could be higher on elderly and those residents who are assisted by the Council with their collections

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications?

No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? No

What equality implications were identified through the Equality Impact Assessment process?
N/A.

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?
N/A.