



Cambridge City Council

To: Executive Councillor for Environment, Waste and Public Health: Councillor Peter Roberts
Report by: Director of Environment and Head of Finance
Relevant scrutiny committee: Environment Scrutiny Committee
Wards affected: All Wards
13 January 2015

Environment Services - Environment, Waste and Public Health Portfolio Revenue and Capital Budget Proposals for 2014/15 to 2018/19

Key Decision

1. Executive summary

Revenue and Capital Budgets

- 1.1 The following report details the budget proposals relating to this portfolio that are included in the Budget-Setting Report (BSR) 2015/16 which will be considered at the following meetings.

| Date | Committee | Comments |
|------------------|----------------------|---|
| 19 January 2015 | Strategy & Resources | Consider proposals / recommendations from all Scrutiny Committees in relation to their portfolios |
| 22 January 2015 | The Executive | Budget amendment may be presented |
| 13 February 2015 | Strategy & Resources | Consider any further amendments including opposition proposals |
| 26 February 2015 | Council | Approves General Fund Budget and sets Council Tax |

- 1.2 The report also includes consideration of any recommendations concerning the review of charges and project appraisals for schemes in the capital plan for this portfolio.

2. Recommendations

The Executive Councillor is recommended to:

Review of Charges:

- a) Approve the proposed charges for this portfolio's services and facilities, as shown in Appendix A to this report.

Revenue:

- b) Consider the revenue budget proposals as shown in Appendix B.

Capital:

- c) Consider the capital budget proposals as shown in Appendix C.
- d) Delete some schemes from the Capital Plan as shown in Appendix C.
- e) Approve, where relevant, project appraisals as shown in Appendix D.
- f) Adjust capital funding for items 2 (c) to 2 (e) as appropriate.

3. Background

- 3.1 At its meeting on 6 November 2014, Council gave initial consideration to the budget prospects for the General Fund for 2015/16 and future years in the Mid-Year Financial Review (MFR) 2014.
- 3.2 The overall Budget-Setting Report (BSR) to Strategy & Resources Scrutiny Committee on 19 January 2015 will include a review of all the factors relating to the overall financial strategy that were included in the MFR.
- 3.3 The report to The Executive on 22 January 2015 may include details of the Government's Final Settlement for 2015/16. The announcement is likely to be made shortly after the conclusion of the consultation period, which ends in January 2015.
- 3.4 Further work may be required on detailed budgets so delegation to the Head of Finance will be sought from Council for authority to finalise changes relating for example to the reallocation of departmental administration, support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

Budget 2015/16 - Overall Revenue Budget Position

- 3.5 The budget proposals for this portfolio, as summarised in table 1, will be considered by the Executive at its meeting on 22 January 2015.

Table 1: Overall Revenue Proposals (see Appendix B)

| Savings and Bids | 2014/15 Budget £ | 2015/16 Budget £ | 2016/17 Forecast £ |
|-------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| Savings: | | | |
| Increased Income | - | (80,000) | (80,000) |
| Programme Office | - | - | - |
| Savings | - | - | - |
| Total | - | (80,000) | (80,000) |
| Bids: | | | |
| Unavoidable Revenue Pressures | - | 124,000 | 199,000 |
| Reduced Income | - | - | - |
| Total | - | 124,000 | 199,000 |
| Net (savings)/bids | - | 44,000 | 119,000 |

| | | | |
|----------------------|---|---|---|
| External Bids | - | - | - |
|----------------------|---|---|---|

| | | | |
|--|---|---|---|
| Priority Policy Fund (PPF) Bids | - | - | - |
|--|---|---|---|

Capital

- 3.6 The 2014 Mid-Year Financial Review proposed a review of the capital plan to address its size and complexity. A number of concerns were identified, including:
- Capacity to deliver projects to time, cost and quality;
 - Dependency on revenue funding; and
 - Inclusion of items, such as unallocated funds, projects at an early stage of development, and items more properly treated as small enhancements or maintenance spend.
- 3.7 Phase 1 of the review examined the current plan in order to release internal funding (e.g. DRF, R&R, capital receipts, etc), by identifying projects that are not yet ready for delivery, are no longer required, or are not true capital projects. This will make the plan more deliverable.
- 3.8 The funding identified will be released into General Fund reserves where it will be available for use on current priorities.
- 3.9 The review has also piloted a method of prioritising capital spending. Table 2 summarises, and Appendix C sets out in detail, any schemes for this portfolio that

are recommended for closure, deletion or require further development, and the funding released as a result.

- 3.10 The Council now maintains two lists of projects which may become capital proposals in due course. The hold list contains projects that have been approved in principle but are awaiting funding. A new list, the projects under development list, has been set up following Phase 1 of the capital plan review. It lists projects which are subject to feasibility studies and outline project planning, including timescales, milestones and indicative costings. When ready, these projects will be proposed for funding and approval in line with revised capital processes and procedures.

Table 2: Overall Capital Proposals (see Appendix C)

| | 2014/15 £ | 2015/16 £ | 2016/17 £ | 2017/18 £ | 2018/19 £ |
|-------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Capital Deletions | 0 | 675,000 | 125,000 | 112,000 | 100,000 |
| Capital Bids | (246,000) | (1,676,000) | 0 | 0 | 0 |
| Net Capital Bids | (246,000) | (1001,000) | 125,000 | 112,000 | 100,000 |

Public Consultation

- 3.11 The 2014 Budget Consultation was undertaken by MEL Research Ltd on behalf of Cambridge City Council in September 2014 and published in November 2014. The main method of collecting information was through an interactive online programme "YouChoose".
- 3.12 Details of the results of the survey will be published on the Council's website.

4. Implications

All budget proposals have a number of implications. A decision not to approve a revenue bid will impact on managers' ability to deliver the service or scheme in question and could have staffing, equal opportunities, environmental and/or community safety implications. A decision not to approve a capital or external bid will impact on managers' ability to deliver the developments desired in the service areas.

(a) **Financial Implications**

Financial implications of budget proposals are summarised in the Budget-Setting Report 2015/16.

(b) **Staffing Implications**

See text above.

(c) **Equality and Poverty Implications**

A consolidated Equality Impact Assessment for the Council's Budget Setting Report will be submitted to the Executive at its meeting on 22 January 2015. Individual Equality Impact Assessments have been conducted to support this, and will be available on the Council's website.

(d) Procurement Implications

Any procurement implications will be outlined in the Budget Setting Report 2015/16.

(e) Environmental Implications

Where relevant, officers have considered the environmental impact of budget proposals which are annotated as follows:

- +H / +M / +L: to indicate that the proposal has a high, medium or low positive impact.
- Nil: to indicate that the proposal has no climate change impact.
- -H / -M / -L: to indicate that the proposal has a high, medium or low negative impact.

(f) Consultation Consultation and Communication Implications

As outlined in 3 above, budget proposals are based on the requirements of statutory and discretionary service provision. Public consultations are undertaken throughout the year and can be seen at:

<https://www.cambridge.gov.uk/current-consultations>

(g) Community Safety Implications

Any community safety implications will be outlined in the Budget Setting Report 2015/16.

5. Background papers

These background papers were used in the preparation of this report:

- Budget Setting Report 2015/16
- Mid-Year Financial Review (MFR) 2014
- Budget Papers 2015/16
- Individual Equality Impact Assessments

6. Appendices

The following items, where applicable, are included for discussion:

| Appendix | Proposal Type | Included |
|-----------------|---|-----------------|
| A | Scale of Fees & Charges | ✓ |
| B | Revenue Budget Proposals for this portfolio | ✓ |
| C | Capital Budget Proposals for this portfolio | ✓ |
| D | Project Appraisal | ✓ |

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Authors' Name: Karen Whyatt, Jackie Collinwood
Authors' Phone Number: 01223 - 458145, 01223 - 458241
Authors' Email: karen.whyatt@cambridge.gov.uk,
jackie.collinwood@cambridge.gov.uk

Appendix A

Environment, Waste and Public Health Services Portfolio / Environment Scrutiny Committee Review of Charges

| Charge Type and Description | Charges 2014/15 | Charges 2015/16 | % Increase |
|---|--------------------|--------------------|------------|
| Environmental Services | | | |
| Rodent control - Businesses - per hour (Half hour min. charge)* | £75.00 | £76.50 | 2.0% |
| Fleas and Other - Cash* | £89.25 | N/A | N/A |
| - Invoice* | £89.25 | £90.00 | 0.8% |
| - Businesses - per hour (Half hour min charge)* | £75.00 | £76.50 | 2.0% |
| Mice Treatment* | £35.00 | No Charge | N/A |
| House / Car Alarms (fee includes administration costs) | Actual Costs | Actual Costs | 0.0% |
| Lecture Fees - per hour | £70.00 | £70.00 | 0.0% |
| Recycling Kitchen Caddy Sacks (in packs of 50). Includes VAT. | £2.50 | £2.80 | 12.0% |
| Food Surrender and Disposal | Actual Costs | Actual Costs | 0.0% |
| Food Register - single entry | £2.00 | £2.00 | 0.0% |
| - register | £816.00 | £816.00 | 0.0% |
| Taught CIEH courses | £76.50 | £60.00 | (21.6%) |
| Online CIEH Courses | £25.50 | £25.50 | 0.0% |
| Examination following on-line courses | £20.50 | £20.50 | 0.0% |
| Tailored Training | Actual Costs | Actual Costs | 0.0% |
| Mentoring Training | Actual Costs | Actual Costs | 0.0% |
| Primary Authority Partnership Scheme at £40 hour | Actual Costs | Actual Costs | 0.0% |
| Contaminated Land (per Enquiry/Polygon) | £143.00 | £145.00 | 1.4% |
| Scrap Metal Dealers | | | |
| Site Licence | £410.00 | £410.00 | 0.0% |
| Conversion to collector's licence | £50.00 | £50.00 | 0.0% |
| Change of licensee name | £50.00 | £50.00 | 0.0% |
| Addition of site | £410.00 | £410.00 | 0.0% |
| Removal of site | £50.00 | £50.00 | 0.0% |
| Change of Site Manager | £120.00 | £120.00 | 0.0% |
| Replacement of lost or damaged licence | £45.00 | £45.00 | 0.0% |
| Collector's licence | £175.00 | £175.00 | 0.0% |
| Conversion to site licence | £355.00 | £355.00 | 0.0% |
| Change of name (e.g. status) | £50.00 | £50.00 | 0.0% |
| Replacement of lost or damaged licence | £45.00 | £45.00 | 0.0% |
| Taxi Vehicle Testing by the Garage | | | |
| Mechanical Fitness Test (Twice Yearly) | £56.00 | £56.00 | 0.0% |
| Re-test if works carried out at a separate garage and returned within 10 days | £28.00 | £28.00 | 0.0% |
| Re-test if works carried out at a separate garage and returned after 10 days | £56.00 | £56.00 | 0.0% |
| Bulky domestic collections | | | |
| 13 cubic metres domestic waste skip | £150.00 | £150.00 | 0.0% |
| Bulky Domestic collections | | | |
| One item (Four bin bags or bundles = one item) | £22.00 | £22.00 | 0.0% |
| Two or three items | £28.60 | £28.60 | 0.0% |
| Four - six items | £33.00 | £33.00 | 0.0% |
| Seven - 10 items | £44.00 | £44.00 | 0.0% |
| 10 items plus | By quote | By quote | 0.0% |
| Hazardous domestic collections | | | |
| Domestic fridges and freezers (not from businesses), | £22.00 | £22.00 | 0.0% |
| Microwave | £22.00 | £22.00 | 0.0% |
| TV and computer Monitors | £22.00 | £22.00 | 0.0% |
| Car batteries | £22.00 | £22.00 | 0.0% |
| Other Domestic Collection Charges | | | |
| Delivery of a replacement black bin 240 litre - new bin | £50.00 | £50.00 | 0.0% |
| Delivery of a replacement black bin 240 litre - reconditioned | £25.00 | £25.00 | 0.0% |
| Delivery of a replacement black bin 140 litre - new | £25.00 | £25.00 | 0.0% |
| Delivery of a replacement green/blue bin | FREE | FREE | 0.0% |
| Annual 2nd green bin charge - per additional 240 litre | £30.00 | £30.00 | 0.0% |
| Annual 2nd green bin charge - per additional 140 litre | £25.00 | £25.00 | 0.0% |
| Delivery of a replacement 660/1100 litre container | By quote | By quote | 0.0% |
| Delivery of a replacement 940 litre container | By quote | By quote | 0.0% |
| Clearance of rubbish from bins stores | By quote | By quote | 0.0% |
| Boxes of clear recycling sacks (200 sacks) * | £16.00 | £16.00 | 0.0% |
| Metal recycling bin store signs * | £18.00 | £18.00 | 0.0% |
| Dogs | | | |
| Statutory Fee for all stray dogs** | £25.00 | £25.00 | 0.0% |
| Transportation cost of stray dog to kennel | £61.20 | £62.70 | 2.5% |
| Kennels registration and vet checking fee | £48.00 | £49.20 | 2.5% |
| Daily kennel charges | £11.75 | £12.00 | 2.1% |
| Collection fee for stray dogs out of normal office hours | £70.00 | £71.75 | 2.5% |
| * These charges are shown net of VAT | | | |
| ** Externally set fees and charges | | | |
| Please note that animal businesses, skin piercing, sex establishment and taxi licences will be approved at Licensing Committee on 26th January 2015 | | | |

2015/16 Budget - General Fund

Page 1 of 1

| Reference | Item Description | 2014/15 Budget £ | 2015/16 Budget £ | 2016/17 Budget £ | 2017/18 Budget £ | 2018/19 Budget £ | Contact | Climate Effect Rating |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------|-----------------------------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------|-----------------------------|

Increased Income

Environment, Waste & Public Health

| | | | | | | | | |
|--------|--|---|----------|----------|----------|----------|---------------|-----|
| II3707 | Harmonisation of the Commercial Waste Service's tariff structures. | 0 | (80,000) | (80,000) | (80,000) | (80,000) | Jen Robertson | Nil |
|--------|--|---|----------|----------|----------|----------|---------------|-----|

The Commercial Waste Service plans to increase two of its six tariff ranges in April 2015. The CWS is the market leader in Cambridge for commercial waste collection and it is important to retain that share whilst levelling our tariff structure and responding to increases in disposal charges. If we do this we predict further growth in the fast expanding commingled recycling market.

| | | | | | | | |
|---|---|----------|----------|----------|----------|--|--|
| Total Increased Income in Environment, Waste & Public Health | 0 | (80,000) | (80,000) | (80,000) | (80,000) | | |
| Total Increased Income | 0 | (80,000) | (80,000) | (80,000) | (80,000) | | |
| Report Total | 0 | (80,000) | (80,000) | (80,000) | (80,000) | | |

2015/16 Budget - General Fund

Page 1 of 1

| Reference | Item Description | 2014/15 Budget £ | 2015/16 Budget £ | 2016/17 Budget £ | 2017/18 Budget £ | 2018/19 Budget £ | Contact | Climate Effect Rating |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------|-----------------------------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------|-----------------------------|

Unavoidable Revenue Pressure

Environment, Waste & Public Health

| | | | | | | | | |
|---------|--|---|---|--------|--------|--------|--------------------|----|
| URP3565 | North West Cambridge Collection vehicles running costs | 0 | 0 | 75,000 | 95,000 | 95,000 | Michael Parsons | +M |
|---------|--|---|---|--------|--------|--------|--------------------|----|

To provide the revenue budget for collecting from Underground Bins in the North West Cambridge university site. Any additional spend over and above that of a standard collection will be met by the University in line with the section 106 agreement with them. Collections will be undertaken by the City Council for all properties on this site and a formula has been devised to ensure that any costs incurred for collections outside the boundary will be recovered from South Cambs DC. If there are available funds from Council Tax for Growth these would be used to finance this spend.

| | | | | | | | | |
|---------|---|---|---------|---------|---------|---------|------------------|-----|
| URP3741 | Materials Recycling Facility (MRF) gate fee versus income | 0 | 124,000 | 124,000 | 124,000 | 124,000 | Jen Robertson | Nil |
|---------|---|---|---------|---------|---------|---------|------------------|-----|

The MRF contract is based on a gate fee plus a 50% share of the income from the sale of the recyclables. Analysis of the financial position took place in February and indicated a positive net income to the RECAP authorities. However, prices for recyclate have dropped (linked to global market downturns) resulting in a net cost to the authority. If the current position on material prices remains the same for the next financial year the net position to the authority is predicted to be £124,000. However, the MRF provider is investing in further sorting equipment to sort plastic recycling into the different polymer types and therefore achieve a high value for the materials.

Total Unavoidable Revenue Pressure in
Environment, Waste & Public Health

| | | | | |
|---|---------|---------|---------|---------|
| 0 | 124,000 | 199,000 | 219,000 | 219,000 |
|---|---------|---------|---------|---------|

Total Unavoidable Revenue Pressure

| | | | | |
|---|---------|---------|---------|---------|
| 0 | 124,000 | 199,000 | 219,000 | 219,000 |
|---|---------|---------|---------|---------|

Report Total

| | | | | |
|---|---------|---------|---------|---------|
| 0 | 124,000 | 199,000 | 219,000 | 219,000 |
|---|---------|---------|---------|---------|

2015/16 Budget - General Fund

Page 1 of 1

| Reference | Item Description | 2014/15 Budget £ | 2015/16 Budget £ | 2016/17 Budget £ | 2017/18 Budget £ | 2018/19 Budget £ | Contact | Climate Effect Rating |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------|-----------------------------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------|-----------------------------|

Capital Bids

Environment, Waste & Public Health

| | | | | | | | | |
|--------------|--|---|--------|---------|---------|---------|---------------|----|
| C3684 | Waste and recycling bins for new developments [Developer Contributions] | 0 | 78,000 | 125,000 | 112,000 | 100,000 | Jen Robertson | +M |
|--------------|--|---|--------|---------|---------|---------|---------------|----|

The budget is to provide refuse and recycling bins for houses and flats in new developments. It is funded entirely from S106 developer contributions. Figures are calculated using growth trajectory build out numbers for future years.

| | | | | | | | | |
|--------------|--|-----------|-------------|---|---|---|-------------|-----|
| C3720 | Vehicle Replacement Programme [Close in Plan] [R & R] | (246,000) | (1,206,000) | 0 | 0 | 0 | Simon Payne | Nil |
|--------------|--|-----------|-------------|---|---|---|-------------|-----|

Scheme completed so funding returned to reserves.

| | | | | | | | | |
|--------------|--|---|----------|---|---|---|---------------|-----|
| C3721 | In-cab technology for Trade Waste Service [Close in Plan] | 0 | (33,000) | 0 | 0 | 0 | Jen Robertson | Nil |
|--------------|--|---|----------|---|---|---|---------------|-----|

Scheme completed so funding returned to reserves.

| | | | | | | | | |
|--------------|---|---|-----------|---|---|---|-------------|-----|
| C3736 | Public Conveniences PV016 [Transfer from Capital Plan to Projects Under Development (PUD)] | 0 | (437,000) | 0 | 0 | 0 | Simon Payne | Nil |
|--------------|---|---|-----------|---|---|---|-------------|-----|

In order for this programme to be reviewed before bringing forward any items for inclusion on the capital programme it is proposed to place the programme on the 'Projects under development (PUD) list'. When plans are progressed sufficiently, they will be put back onto the Capital Plan. [Transfer releases Direct Revenue Funding (DRF) back into reserves].

| | | | | | | | | |
|--------------|--|---|---------|---|---|---|-----------|-----|
| C3749 | Vehicle Fleet Replacement [R & R] | 0 | 597,000 | 0 | 0 | 0 | David Cox | Nil |
|--------------|--|---|---------|---|---|---|-----------|-----|

The Project is the purchase of the Council's fleet vehicles, plant and equipment scheduled and required for replacement in 2015/16, as part of a rolling programme necessary to replace out of life vehicles that would otherwise significantly increase maintenance costs.

| | | | | | | | | |
|---|--|------------------|--------------------|----------------|----------------|----------------|--|--|
| Total Capital Bids in Environment, Waste & Public Health | | (246,000) | (1,001,000) | 125,000 | 112,000 | 100,000 | | |
| Total Capital Bids | | (246,000) | (1,001,000) | 125,000 | 112,000 | 100,000 | | |
| Report Total | | (246,000) | (1,001,000) | 125,000 | 112,000 | 100,000 | | |



Cambridge City Council

To: Executive Councillor for Environment, Waste and Public Health, Peter Roberts
Report by: David Cox
Scrutiny committee: ENVIRONMENT SCRUTINY COMMITTEE
Wards affected: None

Project Appraisal and Scrutiny Committee Recommendation

Project Name: Vehicle replacements 2015/16

Recommendation/s

Financial recommendations –

- The Executive Councillor is asked to approve the commencement of the 2015/16 Vehicle Replacement programme (PR017) which is already included in the Council's Capital & Revenue Project Plan
- The total cost of the project is £597,000, funded from R&R funds
- There are no ongoing revenue cost implications arising from the project.

Procurement recommendations:

- The Executive Councillor is asked to approve the carrying out and completion of the procurement of the Vehicle Replacement programme (PR017) for 2015/16
- Subject to:
 - The permission of the Director of Business Transformation being sought prior to proceeding if the quotation or tender sum exceeds the estimated contract.
 - The permission from the Executive Councillor being sought before proceeding if the value exceeds the estimated contract by more than 15%.

1 Summary

1.1 The project

| | |
|---|-----------------------------|
| <i>The purchase and replacement of life expired vehicles and items of plant and equipment</i> | |
| Target Dates: | |
| Start of procurement | 1 st April 2015 |
| Award of Contract | |
| Start of project delivery | |
| Completion of project | 31 st March 2016 |
| Date that project output is expected to become operational (if not same as above) | |

1.2 Anticipated Cost

| | |
|--------------------|----------|
| Total Project Cost | £597,000 |
|--------------------|----------|

Cost Funded from:

| Funding: | Amount: | Details: |
|-------------------------|----------|---|
| Reserves | £ | |
| Repairs & Renewals | £597,000 | R&R cost centre number 03702 from departments: Refuse & Environment; Streets & Open Spaces and Estates & Facilities |
| Developer Contributions | £ | |
| Climate Change Fund | £ | |
| Other | £ | |

1.3 Procurement process

The Project is the purchase of the Council's fleet vehicles, plant and equipment scheduled for replacement in 2015/16, as part of a rolling programme necessary to replace out of life vehicles that would otherwise significantly increase maintenance costs.

All replacement vehicles and items of plant or equipment will be procured using The Procurement Partnership Ltd (PPL), The Government Procurement Service (GPS) or ESPO (Eastern Shires Purchasing Organisation), using R&R funding. All the vehicles and items of plant and equipment are available on framework agreements held by the three procurement bodies listed above all of which are OJEU compliant. All of the vehicle supply framework contracts are nationwide and offer the best value for money and largest discounts available.

Refuse collection vehicles are also procured collaboratively through the Joint Vehicle Procurement Group with our partnering authorities, South Cambs, Fenland District, Hunts DC and East Cambs. In 2013/14 a joint procurement for refuse vehicles was carried out with the partners. The procurement framework agreement which arose from this joint venture will expire at the end of 2017.

The replacements, in fleet number order, are:

| Fleet number | Description | Year of purchase | Replacement cost |
|--------------|-------------------|------------------|------------------|
| 42 | Beaver tail truck | 2012 | 26,000 |
| 89 | RCV Green | 2007 | 175,000 |
| 107 | Trailer | 2006 | 3,500 |
| 109 | Ride-on mower | 2009 | 30,000 |
| 160 | Ride-on mower | 2010 | 7,000 |
| 163 | Ride-on mower | 2009 | 30,000 |
| 166 | Ride-on mower | 2009 | 30,000 |
| 188 | Truck loader | 2009 | 6,500 |
| 197 | Trailer | 2009 | 4,000 |
| 238 | RCV Recycling | 2008 | 110,000 |
| 280 | RCV Green | 2008 | 175,000 |

| |
|---------|
| 597,000 |
|---------|

2 Project Appraisal & Procurement Report

2.1 Project Background

The Project is the purchase of the Council's fleet vehicles, plant and equipment scheduled for replacement in 2015/16, as part of a rolling programme necessary to replace out of life vehicles. After purchase all vehicles and items of plant and equipment are given a set life of between five and seven years depending on type and usage. The item is then depreciated for the life period before the asset is again replaced.

Alternative options considered were:

- not replacing vehicles, but this could lead to increased maintenance costs;
- leasing vehicles, but this is cost prohibitive, as the monthly rentals would be higher than current depreciation costs;
- the purchase of second hand vehicles, but again maintenance costs could be high and procurement is difficult.

2.2 Aims & objectives

The project contributes towards the Council's vision for a city:

- in the forefront of low carbon living and minimising its impact on the environment from waste and pollution

The replacement vehicles will be more fuel-efficient and will therefore use less fuel and in turn produce less carbon dioxide. The replacement vehicles will all be Euro VI compliant as opposed to Euro III and IV for those they are replacing. Euro IV emission standard led to a legal requirement of 50% reductions in oxides of nitrogen (NOx) and 40% reductions in particulates compared to Euro III levels. Euro V emission standard lowered the limits even further with another reduction of 55% of nitrogen oxide (NOx). The comparison between the original Euro I emissions and Euro VI emissions is a 95% reduction in NOx and a 97% reduction in particulate matter.

2.3 Major issues for stakeholders & other departments

The main impact on departments is that of finance as new vehicles cost less to maintain. By replacing the vehicles at the correct intervals, maintenance costs are controlled and manageable within current revenue budgets.

2.4 Summarise key risks associated with the project

Service delivery is at risk without the replacement programme. Without adequate and reliable transport and equipment the workforce may not be able to provide an efficient and effective service.

Older vehicles are also less reliable than newer ones; therefore there is a strong possibility of increased vehicle downtime leading to customer dissatisfaction. As per 2.3 above this will also lead to increased maintenance costs. It may also lead to the need for hiring replacements due to vehicle downtime.

2.5 Financial implications

- a. Appraisal prepared on the following price base: 2015/16
- b. Specific grant funding conditions are:
 - None

c. Other comments

The planned replacement of all vehicles and items of plant and equipment is provided for by budgeted contribution to an R&R fund.

2.6 Net revenue implications (costs or savings)

| Revenue | £ | Comments |
|---------------------------|----------|---|
| Maintenance | 0 | Servicing and inspection costs are provided for within current maintenance budget |
| R&R Contribution | | No change to contributions to R&R funds |
| Developer Contributions | | See Appendix B |
| Energy savings | () | See below |
| Income / Savings | () | |
| Net Revenue effect | 0 | Cost/(Saving) |

2.7 VAT implications

There are no adverse VAT issues with the purchase of these fleet and equipment items.

2.8 Energy and Fuel Savings

| | |
|---|--------------------------------------|
| (a) Is this project listed in the Carbon Management Plan? | No |
| | If 'No', move to Section 2.9. |

(b) Estimated Annual Energy Cost Savings

| | |
|---|--|
| Year 1 | |
| Ongoing (£ per year) | |
| Anticipated project lifetime (years) | |
| On what basis have you specified this project lifetime? | |

(c) Which cost centre energy budget should these savings be retrieved from?

| Cost Centre Name | Cost Centre Number | Account code | Cost Centre Manager |
|------------------|--------------------|--------------|---------------------|
| | | | |
| | | | |

(d) Monitoring of Savings

2.9 Climate Change Impact

| Positive Impact | | No effect | Negative Impact | | |
|-----------------|----|-----------|-----------------|--|--|
| | +M | | | | |

2.10 Other implications

Positive implications on the environment as the replacement vehicles emit less CO₂, less nitrogen oxide and less particulates.

Review will be carried out in 2014/15 with Asset Management and Audit to look at the methods of vehicle procurement and replacement with a view to increasing life and utilisation of vehicles. A review of R&R funding is also planned.

In 2014/15 the purchase of ten light commercial vehicles and three items of plant and equipment were deferred. This has led to a saving on capital spend on fleet replacements of £286,000.

It is planned for the forthcoming financial year that a further twenty six light commercial vehicle replacements are deferred, leading to a further saving on capital spending of £563,000.

The above vehicles will of course require replacement at some time in the future, however it is planned that each vehicle is assessed individually and a business case put forward to Fleet Management before any vehicle can be procured.

2.11 Staff required to deliver the project

Project will be delivered within existing staff resources

| Service | Skills | Total Hours |
|---------|--------|-------------|
| | | |

2.12 Dependency on other work or projects

None

2.13 Background Papers

None

2.14 Inspection of papers

| | |
|--------------------|----------------------------|
| Author's Name | David Cox |
| Author's phone No. | 01223 - 458265 |
| Author's e-mail: | david.cox@cambridge.gov.uk |
| Date prepared: | 19 November 2014 |

