

Report of Chief Officer – Parks and Countryside

Report to Director of Environment and Housing

Date: 17th December 2015

Subject: 2015/16 P&C replacement machinery, plant and equipment programme.

Capital scheme number: 32003/PKS/COM

Are specific electoral wards affected? If relevant, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. Parks & Countryside has a rolling program of replacing fleet which is phased over a number of years taking account of the operating life expectancy of the machinery, plant and equipment. The plant, vehicles and equipment are required to replace existing items of fleet that have reached the end of their economical and safe operating life.
2. The Parks & Countryside service has an annual income budget of over £19m and the viability of achieving this income target depends on replacing old machinery plant and equipment on a cyclical basis.
3. The report identifies a replacement programme of £768.4k on machinery, plant and equipment for the Parks and Countryside service which will be contained within the current capital programme through a mixture of departmental borrowing £418.4k and corporate borrowing £350k.

Recommendations

- 4 The Director of Environment and Housing is requested to authorise £768.4k on the acquisition of the 2015/16 P&C replacement of machinery, plant and equipment programme as set out in Appendix A.

1 Purpose of this report

1.1 The purpose of this report is to request authority to spend approval of £768.4k in order to replace various items of machinery plant and equipment within the Parks & Countryside service.

1.2 The machinery, plant and equipment consists of ride-on mowers, compact tractors complete with loaders and/or cutting decks, ride-on utility vehicles and large pedestrian rotary mowers as set out in appendix A.

2 Background information

2.1 Parks & Countryside has a diverse service which consists of managing, developing, conserving and maintaining horticultural, agricultural and arboriculture landscapes. Specialised machinery, plant and equipment are used to implement the service provided which, in turn, requires regular replacement so that service standards and income levels of £19m can be sustained each year.

2.2 Parks & Countryside has a rolling program of replacing machinery, plant and equipment which is phased over a number of years to spread the costs. The machinery, plant and equipment are required to replace existing items on fleet that have reached the end of their economical and safe operating life. If the service is unable to procure this equipment there would be a detrimental impact on the quality of the service provided, the service's ability to deliver the income targets and the cost of maintaining the equipment to a useable standard.

3 Main issues

3.1 The machinery, plant and equipment will be purchased using existing Council framework contracts. The machinery, plant and equipment identified for replacement within the 2015/16 financial year are ride-on mowers, compact tractors complete with loaders and/or cutting decks, ride-on utility vehicles and large pedestrian rotary mowers and are set out in appendix A.

3.2 Parks & Countryside has identified the machinery for replacement through its rolling program and annual assessment. The machinery identified is six years old and has reached the end of their economic life and safe operating life. Replacement machinery has been sought through a framework of suppliers. Whilst most machinery will be replaced like for like, some large pedestrian rotary mowers are being downsized to fit in line with service provision.

3.3 Parks & Countryside have liaised with suppliers and manufacturers regarding alternative fuels. At this time the technology for alternative fuels is either limited or not present on the machinery required. Further consultation and consideration will be given to alternative fuels in future replacement programmes.

4 Corporate considerations

4.1 Consultation and engagement

4.1.1 The Executive Member for Environment has been consulted on these proposals.

4.2 Equality and diversity / Cohesion and Integration

4.2.1 An equality, diversity and cohesion screening document has been undertaken and it is not considered that the content of this report or the recommendations made will have any impact on any specific group or individuals.

4.3 Council policies and the Best Council Plan

4.3.1 This report draws attention to co-ordinated working that demonstrates a contribution towards the following priorities contained in the City Priority Plan:

- Best city for communities:
 - Ensure that local neighbourhoods are clean.
- Best city to live:
 - Enable growth of the city whilst protecting the distinctive green character of the city.

4.3.2 The report highlights the contribution to the following Council Business Plan priorities:

- Improve the quality of Leeds' parks
- Create the environment for effective partnership working
- Work effectively at a local level

4.4 Resources and value for money

4.4.1 The Full scheme estimate is £768.4k for replacement of various machinery, plant and equipment consisting of ride-on mowers, compact tractors complete with loaders and/or cutting decks, ride-on utility vehicles and large pedestrian rotary mowers as set out in Appendix A.

4.4.2 Capital funding and cash flow.

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2015 £000's	FORECAST				
			2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019 on £000's
VEHICLES & EQPT (4&5)	162.3	142.0	20.3	0.0	0.0	0.0	0.0
TOTALS	162.3	142.0	20.3	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2015 £000's	FORECAST				
			2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019 on £000's
VEHICLES & EQPT (4&5)	768.4	0.0	768.4	0.0	0.0	0.0	0.0
TOTALS	768.4	0.0	768.4	0.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2015 £000's	FORECAST				
			2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019 on £000's
LCC Corporate Borrowing	350.0	0.0	350.0	0.0	0.0	0.0	0.0
Directorate Unsupported Borrowing	580.7	142.0	438.7	0.0	0.0	0.0	0.0
Total Funding	930.7	142.0	788.7	0.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Parent scheme number : [32003/PKS/ COM](#)

Title : Parks Equipment

4.4.3 Revenue effects

4.4.4 Revenue provision is in place within the Parks and Countryside service budget to fund the interest on the £418.4k unsupported borrowing costs over the next five years. This is affordable within the overall directorate and service resources. The £350k corporate borrowing is provided for within the overall current capital programme debt budget projections.

4.5 Legal implications, access to information and call-in

4.5.1 This is a Key decision which has been included on the List of Forthcoming Key Decisions.

4.5.2 Decisions to award contracts in respect of individual machinery, plant and equipment under the existing fleet framework contract procurement programme will be taken in batches as tenders are evaluated. These decisions to award will be Significant Operational Decisions as no individual piece of machinery, plant or equipment will cost more than £250K.

4.6 Risk management

4.6.1 The health and safety risk to employees in continuing to use old, worn machinery which may become unsafe to use.

- 4.6.2 The machinery is used to deliver the service's core requirements, service level agreements and assist in achieving the majority of the current income budget target of £19m.
- 4.6.3 If the service is unable to procure this equipment there would be a detrimental impact on the quality of the service provided, the service's ability to deliver the income targets and the cost of maintaining the equipment to a useable standard.

5 Recommendations

- 5.1 The Director of Environment and Housing is requested to authorise £768.4k on the acquisition of the 2015/16 P&C replacement machinery, plant and equipment programme as set out in Appendix A.

6 Background documents¹

- 6.1 None

¹ The background documents listed in this section are available for download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.