

**Report of: Transport and Engineering Manager**

**Report to: Chief Officer Parks and Countryside**

**Date: 22<sup>nd</sup> February 2019**

**Subject: Design and Cost Report for Parks and Countryside replacement of machinery plant and equipment 2018/19**

**Capital scheme number: 32853**

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 type="checkbox"/> Yes	<input checked="" 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. The Director of Communities and Environment is requested to approve the authority to spend of an additional £494.0k on replacement equipment against capital scheme number 32853 in 2018/19. This will require an injection of £494.0k into the capital programme funded by prudential borrowing by the department.
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 equipment on a cyclical basis.

**Recommendations**

3. That the Chief Officer Financial Services is requested to inject £494.0K into the capital programme funded by departmental prudential borrowing from the Parks & Countryside service.
4. The Chief Officer of Parks and Countryside gives authority to spend £494.0k on replacement machinery and equipment.

5. That the Chief Officer Parks and Countryside agrees to exempt the decision from call in.

## **1 Purpose of this report**

- 1.1 The purpose of this report is to request an additional injection and authority to spend approval of £494.0k in order to replace various machinery plant and equipment within the Parks & Countryside service.
- 1.2 The machinery consists of ride-on mowers, tractors and tractor mounted cylinder mowers, sidearms and arboricultural, horticultural and ancillary equipment.

## **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 is used to implement the service provided which, in turn, requires regular replacement of old machinery so that service standards and income levels of £19m can be sustained each year.
- 2.2 The Parks & Countryside service has a rolling programme of replacing plant and machinery including ancillary equipment which is phased over a number of years to spread the costs. The machinery is required to replace existing items on fleet that has reached the end of its 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 **Design proposals and full scheme description.**
- 3.2 **Programme** -The machinery identified for replacement within the 2018/19 financial year are ride-on mowers, tractors and tractor mounted cylinder mowers, sidearms, arboricultural, horticultural and ancillary equipment.
- 3.3 Wherever reasonably practicable the service will procure battery powered machines where they fulfil the service need and are fit for purpose. The grounds care equipment emissions regulations for diesel engines are not to the same standard as road vehicles and it is clear that the motor vehicle industry is more advance in terms of their emission level technologies.
- 3.4 All new diesel engine machines will comply to the latest EU directive 2010/22/EU for Non Road Mobile Machinery. There is currently no hybrid or alternative fueled machinery on the market. We are in dialogue with suppliers to ensure that we purchase the latest technology that fulfils the service provision whilst meeting the latest emission standards.
- 3.5 Unfortunately, the comprehensive replacement list has not been able to be completed until the machinery has been fully evaluated under the winter maintenance regime. There is now an urgent need leaving a four week period to procure new machinery for the start of the Spring/Summer season.

## **4 Corporate considerations**

## **4.1 Consultation and engagement**

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

## **4.2 Equality and diversity / cohesion and integration**

4.2.1 A screening document has been prepared and an independent impact assessment is not required for the approvals requested. The screening document has been sent to the equality team to be approved and published.

## **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.

4.3.1 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 **Full scheme estimate** requirements for the 2018/19 programme of replacement machinery and equipment is £850.9k of which £356.9k already has injection and ATS approval. The expenditure for this procurement exercise requires an additional injection into the capital programme of £494.0k funded by prudential borrowing and approval to spend.

4.4.2 The procurement for the P&C machinery, plant and equipment is over an annual cyclical basis for which capital funding will need to be secured as part of this rolling programme for future years.

4.4.3 **Capital funding and cash flow.**

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2018 £000's	FORECAST				
			2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	744.6	387.7	356.9				
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
<b>TOTALS</b>	<b>744.6</b>	<b>387.7</b>	<b>356.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2018 £000's	FORECAST				
			2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	494.0		494.0				
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
<b>TOTALS</b>	<b>494.0</b>	<b>0.0</b>	<b>494.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2018 £000's	FORECAST				
			2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022 on £000's
LCC Supported Borrowing	1238.6	387.7	850.9				
Total Funding	1238.6	387.7	850.9	0.0	0.0	0.0	0.0
<b>Balance / Shortfall =</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Parent scheme number : 32853

Title : Parks Equipment

#### 4.4.4 Revenue effects

4.4.5 The additional prudential borrowing costs of £105k will be met from the existing P&C revenue budget, revenue budget also exists for the maintenance of the equipment and machinery.

#### 4.5 Legal implications, access to information and call-in

4.5.1 This is a Key Decision but the decision maker has exempted the decision from call in due to the urgent need to ensure the machinery is in place for the spring/summer season, as outlined in para 3.5 above, and to ensure implementation by 31<sup>st</sup> March 2019.

#### 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 Conclusions**

- 5.1 By procuring the latest machines on a cyclical basis also ensures that the Council have the newest machinery which keeps emissions as low as possible as opposed to continuing to run older machines that by their very age and nature, are not the most cost effective or efficient to run.

## **6 Recommendations**

- 6.1 That the Chief Officer Financial Services is requested to inject £494.0k into the capital programme funded via prudential borrowing and the funds of which to be met by the Parks & Countryside service.
- 6.2 That the Chief Officer of Parks and Countryside gives authority to spend £494.0k on the replacement machinery and equipment.
- 6.3 That the Chief Officer Parks and Countryside agrees to exempt the decision from call in.

## **7 Background documents<sup>1</sup>**

None

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<sup>1</sup> 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.