



**Barry Keel**  
Chief Executive

Plymouth City Council  
Civic Centre  
Plymouth PL1 2AA

[www.plymouth.gov.uk/democracy](http://www.plymouth.gov.uk/democracy)

Date: 14 November 2011

Please ask for: Mrs Katey Johns, Democratic Support Officer  
T: 01752 307815 E: [katey.johns@plymouth.gov.uk](mailto:katey.johns@plymouth.gov.uk)

## **OVERVIEW AND SCRUTINY MANAGEMENT BOARD**

### **‘CALL-IN: VEHICLE REPLACEMENT – REFUSE COLLECTION VEHICLES X15**

**Date:** Tuesday 22 November 2011  
**Time:** 10.00 am  
**Venue:** Warspite Room, Council House (next to the Civic Centre)

**Members:**

Councillor James, Chair

Councillor Nicholson, Vice Chair

Councillors Mrs Aspinall, Mrs Bowyer, Browne, Coker, Lock, Lowry, McDonald, Stark, Thompson and Wildy.

**Co-opted Representative:**

Mr D Fletcher (Plymouth Chamber of Commerce).

Members are invited to attend the above meeting to consider the items of business overleaf.

Please note that unless the chair of the meeting agrees, mobile phones should be switched off and speech, video and photographic equipment should not be used in meetings.

Barry Keel  
Chief Executive

# OVERVIEW AND SCRUTINY MANAGEMENT BOARD

## AGENDA

### PART I – PUBLIC MEETING

#### 1. APOLOGIES AND SUBSTITUTIONS

To receive apologies for non-attendance submitted by Overview and Scrutiny Management Board Members and to note the attendance of substitutes in accordance with the Constitution.

#### 2. DECLARATIONS OF INTEREST

Members will be asked to make any declarations of interest in respect of items on this agenda.

#### 3. CHAIR'S URGENT BUSINESS

To receive reports on business which, in the opinion of the Chair, should be brought forward for urgent consideration.

#### 4. CALL-IN: VEHICLE REPLACEMENT - REFUSE COLLECTION VEHICLES X15 (Pages 1 - 12)

Members of the Overview and Scrutiny Management Board will consider the decision called in by Councillors Evans, Peter Smith and Vincent.

#### 5. EXEMPT BUSINESS

To consider passing a resolution under Section 100A (4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item(s) of business on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

### PART II (PRIVATE MEETING)

## AGENDA

#### MEMBERS OF THE PUBLIC TO NOTE

that under the law, the Panel is entitled to consider certain items in private. Members of the public will be asked to leave the meeting when such items are discussed.

#### 6. CALL-IN: VEHICLE REPLACEMENT - REFUSE COLLECTION VEHICLES X15 (Pages 13 - 36)

Members of the Overview and Scrutiny Management Board will consider the decision called in by Councillors Evans, Peter Smith and Vincent.

Procedure to be followed in the meeting

1. Once the Chair has opened the meeting and any previous business on the agenda been dealt with, the Members who called in the decision will be asked to explain why they have done so and what they feel should be reviewed.

**The Members making the call-in shall be allowed up to 15 minutes in total to present their case.** It shall be up to them to determine how they wish to use their time, they may ask one speaker to speak or share the time among several speakers as they see fit.

2. **15 minutes shall be allowed to respond on behalf of the decision maker(s).** It shall be up to them to decide how to use this allocation. The relevant Cabinet Member, or a senior officer, may make the presentation or they may divide the time between several speakers as they see fit.
3. **After each presentation, Members may ask questions to clarify any points made by the speakers** (although the speakers will not have an opportunity to cross-examine one another).
4. The Board will then discuss the matter. **Members may ask further questions of the Members making the call in or the decision makers during the debate. The Members making the call in and the decision maker will not normally speak during the debate, except to answer questions**
5. When the Chair considers that the matter has been debated for a reasonable length of time, the decision maker will be offered the opportunity to make any final comments on the matter. **One of the Members making the call in will also be offered the opportunity to sum up. Each side will be allowed five minutes for this purpose.**
6. The matter will then move to the vote :
  1. The first question is to consider in principle whether, in light of the case presented by the Members making the call-in and any other points made during the debate, Members wish to refer the decision for further consideration. **If members vote no at this stage, the call-in is ended.** The matter will not be referred back and the original decision may be implemented.
  2. If Members vote in favour of referring the matter for reconsideration, they must vote on the following matters:
    - (a) **Where to refer the matter** - Members must decide whether the decision should be referred back for reconsideration directly to the original decision-maker (i.e. the Cabinet **OR** an Executive Committee **OR** to refer the matter to City Council with a request that they decide whether to refer the matter back to the original decision-maker for reconsideration. The Chair shall ask members to vote in favour of either:

**OR** (i) Reference directly back to the original decision-maker

(ii) Reference back via the City Council

**(b) Reasons for referring the matter back** - The Chair will then put to the meeting that the matter be referred back to the original decision-maker (or to the City Council, as the case may be) for the reasons set out in the call-in request. Members will then be invited to move any amendments or additions to those reasons. Members may also move any specific recommendations or issues they would like the original decision-maker or Council to consider. Members must agree on the factors the decision-maker (or Council) are to be asked to consider. The matter may not be referred for reconsideration without reasons being given.

3. If Members of the Overview and Scrutiny Management Board vote to refer the matter back via City Council, they must then decide whether to request that any officers should be available to respond to questions at the Council meeting. If they do wish officers to be available, they should specify which officers they wish to be present to answer questions. They may not request any officer below the level of Head of Service to appear before Council.

**DELEGATED DECISION**

Democratic Support


**PLYMOUTH**  
CITY COUNCIL

**REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL CABINET MEMBER**

Delegated Decision Reference Number -

Decision			
1	Title of decision:	Vehicle Replacement - Refuse Collection Vehicles x15	
2	Decision maker (Cabinet Member):	Cllr Michael Leaves Cabinet Member for Community Services (Street Scene, Waste & Sustainability)	
3	Decision author and contact details:	Garry Stainer Principal highways and fleet manager - Ext 4682	
4	Decision to be taken:	Authorise the purchase of waste collection vehicles 15 in total.	
5	Reasons for decision:	The purchase option offers savings on current allocation of budgets.	
6	Alternative options considered:	Leasing and short term hire have been evaluated as more expensive than outright purchase.	
7	Financial implications:	Total cost for 15 vehicles £1,995,928; An estimated £565,000 saving over 5 years plus 100% of residual value retained after 5 years equivalent to £214,000	
8	Is the decision a Key Decision?	Yes	(if ticked, complete section 9)
		No	<input checked="" type="checkbox"/> (If ticked, proceed to section 10)
9	Date added to the Forward Plan?		
10	Please specify how this decision is linked to the policy framework and/or budget:	The decision will allow the purchase outright of 15 vehicles. This is a part purchase of the total fleet of waste collection vehicles. This will offer savings on the Waste and street scene budgets due to significantly lower costs associated with purchase compared to the current method of short term hire.- this is based over a five year period.	
11	Is the decision a case of special urgency?	Yes	(if ticked, ensure that the Chair of the Overview and Scrutiny Management Board signs the report at section 11a and section 11b is completed)
		No	<input checked="" type="checkbox"/> (if ticked, proceed to section 12)
11a	Signature		Date

	Print Name			
11b	Reason for urgency:			
<b>Consultation</b>				
12	Are any other Cabinet Members affected by the decision?	Yes		(if ticked, complete sections 13 and 14)
		No	<input checked="" type="checkbox"/>	(if ticked, proceed to section 15)
13	Which other Cabinet Member is affected?			
14	Has this Cabinet Member been consulted?	Yes		
		No		
15	Which Corporate Management Team member has been consulted?	Consultation has been undertaken with 3 members - Carole Burgoyne Director for Community Services Adam Broome Director for Corporate support Ian Gallin Assistant Chief Executive		
16	Please include the sign off codes from the relevant departments consulted:	Democratic Support (mandatory)	DSO391112	
		Finance (mandatory)	TOCS CoSF ED1112 004	
		Legal (mandatory)	13192/ALT.	
		Human Resources	n/a	
		Asset Management	n/a	
		IT	n/a	
		Procurement	PWC1112.007	
<b>Other Information</b>				
17	Is the decision in accordance with an Equalities Impact Assessment?	Yes		<i>(For further advice, contact Assistant Director for Safer Communities, ext. 4388)</i>
		No	<input checked="" type="checkbox"/>	
18	State how the decision supports the City and Council Priorities.	To provide value for money for communities in providing waste collection services		

**Background Papers**

19 Please list all background papers relevant to the decision in the table below.  
*(If not attached, indicate where it can be accessed either electronically or in hard copy. Any confidential (Part II) information should be included in background papers only and not in this delegated decision template. If the background paper is Part II, please indicate why the background paper is not for publication by virtue of Exemption Paragraph(s) (E1 – E7) of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in the table).*

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Fast track CPAF		attached			✓					
Contract award report for Purchase of Refuse Collection Vehicles		Not attached			✓					
Briefing report – part I	✓									

**Cabinet Member Signature**

20 I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, City Strategy, Corporate Plan and Medium Term Financial Plan.

Signature		Date	02/11/2011
Print Name	Cllr Michael Leaves Cabinet Member for Community Services (Street Scene, Waste & Sustainability)		

This page is intentionally left blank



## 1. Introduction

The Council wishes to purchase 15 refuse collection vehicles for the collection of household waste, co-mingled recyclables and green waste from residents within the city of Plymouth. It also collects trade waste from non-residential premises. The Vehicle types and the number of each required are as follows:

Type 1: (4x2 Standard width chassis/body RCV 12t / 13t)	5 vehicles
Type 2: (6x2 Rear steer narrow track chassis/body RCV 24t) 3 in 1 lift	7 vehicles
Type 3: (6x2 Mid lift narrow track chassis/body RCV 22t)	3 vehicles

## 2. Background

The Council utilises a fleet of approximately 350 vehicles. The value of vehicles, plant and specialist equipment currently used by the council is around £10 million. The lack of a rolling annual replacement program means many services are operating old and worn fleet. This puts an increased budget pressure on repair and maintenance costs as well as driving the need to 'spot hire' replacement vehicles whilst repairs are undertaken. Many of the vehicles are leased or on hire agreements whilst paying short term rates. A review was undertaken by Price Waterhouse Coopers in 2007 and although the recommendation was accepted to implement a five year rolling vehicle replacement program to address the inefficiencies and effects on aging fleet, the budget pressures on capital and revenue accounts restricted progress. The situation has now become untenable due to the age and cost of the Vehicle & Plant Items. A strategic approach has been taken to analyse the fleet and determine the most cost effective solution to resolving the current state of vehicles, plant and equipment. Any initial investment targets expensive spot hire arrangements and determines the lease v purchase options. Furthermore, vehicles have been clustered into services so that decisions about vehicle replacement can be taken along side any transformation or service delivery review of services. This reduces the risk of decisions about vehicles, plant and isolation in isolation of the wider services they are used to support.

There will be four phases to this strategic approach.

- Phase I Refuse Vehicles (Waste Service)
- Phase II Minibuses (CYP, ASC and Schools Services)
- Phase III Plant & Equipment (Street Cleansing and Parks)
- Phase IV Other dilapidated or expensive Vehicles (various Services)

The review for Phase 1 was concluded and revealed that the most cost effective solution was the outright purchase of the required vehicles rather than pursuing a lease option. See paragraph 4. Financial information below.

Accordingly a procurement exercise was undertaken utilising the Framework Agreement of the Eastern Shires Purchasing Organisation

## 3. Risks

The evaluation team are aware that delays in delivery will have the biggest impact on the Council as it will require ongoing hire or lease of vehicles. Contract management and close working with the chosen suppliers will minimise any potential for delay

## 4. Financial information:

We have explored whether to Hire, Lease or Purchase Vehicles. The most economical option currently is to purchase outright based on the advice given by the Council's leasing advisors Sector. A further review into leasing will be completed by Arlingclose to test check professional advice. The difference in cost between leasing and purchasing is minimal and the deciding factors being the residual value of the sale of the asset at the end of 5 years.

An estimated £565,000 saving over 5 years This will be made from reduced costs associated with short term hire. There will also be a saving of 100% of residual value retained after 5 years equivalent to £214,000n investment of £1.996m would achieve savings of £0.715m over a five year period.

An investment of £1.996m would achieve savings of £0.715m over a five year period. This total cost is within the amount approved by Full Council on the 10<sup>th</sup> October for the purchase of replacement refuse collection vehicles which was set at £2.135million.

This page is intentionally left blank



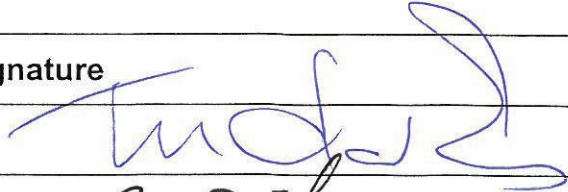
## Call-In Request Form

Decision to be called in	Vehicle Replacement - Refuse Collection vehicles x15
Decision made by: (Delete the choices which do not apply)	<input type="checkbox"/> The Cabinet or <input checked="" type="checkbox"/> A Cabinet Member or <input type="checkbox"/> Executive decision made under joint arrangements
Date decision was made	2/11/2011
Are you calling the decision in because you believe it to be outside of the Budget or Policy Framework	Yes/No
Reasons for the Call-In	<p>Decision maker failed to consider alternative courses of action.</p> <p>Due to financial climate we have concerns that not all alternatives were seriously considered and the contract could have adverse financial implications.</p>

**Signatures** To be valid the request must be supported by **THREE** Members. This can be demonstrated by having the Members sign the form or by getting the Members to e mail The Democratic Services Manager expressing their support for the call-in. One Member must sign the form. The other two Members can notify their support electronically.

cont .....

Signatures of THREE Members

Name	Signature
1. Tudor Evans	
2. PETER SMITH	P. Smith
3. BRIAN VINCENT	B. Vincent

Contact Details:	
<p>Name of person to be contacted if there are any difficulties or questions.</p> <p>Brian Vincent or Tudor Evans</p>	

Notice of call-in for non-urgent decisions -

- (i) must be received in the Democratic Support Unit by 4.30 p.m. on the 5<sup>th</sup> working day after Members have been notified that the decision has been made;
- (ii) can be submitted direct to the Democratic Support Unit on 4022 or by using the on-line form which should be e-mailed to [delegated.decisions@plymouth.gov.uk](mailto:delegated.decisions@plymouth.gov.uk).

# CALL-IN REQUEST FORM




**PLYMOUTH**  
CITY COUNCIL

<b>Decision to be called in</b>	Vehicle Replacement - Refuse Collection Vehicles X15.
<b>Decision made by:</b> (Delete the choices which do not apply)	<input type="checkbox"/> The Cabinet or <input checked="" type="checkbox"/> A Cabinet Member or <input type="checkbox"/> Executive decision made under joint arrangements
<b>Date decision was made</b>	2/11/2011
<b>Are you calling the decision in because you believe it to be outside of the Budget or Policy Framework</b>	Yes/No (If Yes, state the reasons why you believe it to be outside the Budget or Policy Framework in the reasons section below)
<b>Reasons for the Call-In</b> The reason for call in must fall within one or more of the following categories: <input type="checkbox"/> The process by which the decision was made was deficient in some way. e.g. did the decision maker neglect to consult people who should have been consulted? <input checked="" type="checkbox"/> The decision maker failed to consider alternative courses of action <input type="checkbox"/> The decision taker failed to take into account relevant factors <input type="checkbox"/> The decision was wrong in law or fact- the call in form must state why	Due to financial climate have concerns that not all alternatives were seriously considered and the contract could have adverse <del>future</del> financial implications
To be valid <b>THREE</b> Councillors must support the request. All three Councillors should sign the form OR all three Councillors should e mail the Democratic Support Section ( <a href="mailto:democratic.support@plymouth.gov.uk">democratic.support@plymouth.gov.uk</a> ) expressing their support for the call-in. In this case, the form should be completed and attached to all of the e-mails.	

cont .....

**Signatures of THREE Councillors:**

Name	Signature
1. Cllr. VINCENT	
2.	
3.	

Contact Details:	
Name of councillor to be contacted if there are any difficulties or questions.	

**Notice of call-in for non-urgent decisions -**

(i) must be received in the Democratic Support Unit by 4.30 p.m. on the 5<sup>th</sup> working day after Councillors have been notified that the decision has been made;

(ii) can be submitted to the Democratic Support Unit or by using the on-line form which should be e-mailed to [democratic.support@plymouth.gov.uk](mailto:democratic.support@plymouth.gov.uk)

Document is Restricted

This page is intentionally left blank



Document is Restricted

This page is intentionally left blank