

Report to: Cabinet



Date of Meeting 31 March 2021

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Exemption applied: None

Review date for release N/A

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## Capital replacement programme for Grounds and Cleansing plant machinery.

### Report summary:

To explain why a Capital Machinery Budget is required and give Cabinet enough information to approve the procurement of replacement machinery within StreetScene. To explain why we are requesting the budget via Cabinet and Council rather than through the normal annual budget setting process.

### Is the proposed decision in accordance with:

Budget Yes  No

Policy Framework Yes  No

### Recommendation:

1. That the appended capital replacement programme of £420,400 is agreed by Cabinet to enable StreetScene Operations to meet statutory responsibilities in relation to street cleansing and maintaining an Outstanding Environment.
2. Consider and recommend to Council that the Capital Machinery Budget request be approved for the reasons set out in the report.

### Reason for recommendation:

Approving the Capital Machinery Budget for essential and scheduled machinery replacements will allow us to keep our parks and streets clean and safe in the face of increased demand.

There are 12 significant pieces of large machinery that are at the end of their life span and would ordinarily need replacing via the tender process. If we were not to replace these pieces of kit then we would be unable to meet our statutory requirements to keep our streets clean to an agreed level, as well as incurring higher maintenance costs associated with keeping machines on the road beyond their life span.

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Portfolio(s) (check which apply):

- Climate Action and Emergencies
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Culture, Tourism, Leisure and Sport
- Democracy and Transparency
- Economy and Assets
- Finance

- Strategic Planning
- Sustainable Homes and Communities

### **Equalities impact** Low Impact

**Climate change** Medium Impact; Procurement of new machinery which will have an embedded carbon cost. We explored the possibility to lower this through the procurement of electric sweepers, however the technology is not quite there and the cost was high. Carbon emissions could potentially increase through older machines versus the newer Euro 6 engines. Replacing the older machines will reduce the existing emissions that are generated through these older versions.

**Risk:** Medium Risk; The risk of not using the Capital Machinery Budget for 2021/22 is that we are unable to keep up with demand and keep our public realm areas clear of litter. The risk is largely reputational, but could have knock on effects for business and the economy and the perception of residents and visitors to our area. There is a small increased risk of injury from the litter on the streets and parks that remains uncollected, and a legal challenge risk if we cannot keep relevant land clean to the standards laid out in the Environmental Protection Act 1990. There is an annual machinery replacements programme and all machinery has an expected lifespan - if these replacements are not made then existing machinery will have to be retired due to them being at the end of their serviceable life, and therefore we will not be able to undertake the tasks as required.

### **Links to background information**

- [Capital – Machinery](#)
- [Appendix 2 – Initial Project Proposal Document \(IPPD\)](#)
- [Financials – Project Costs and Resources](#)

### **Link to [Council Plan](#):**

Priorities (check which apply)

- Outstanding Place and Environment
- Outstanding Homes and Communities
- Outstanding Economic Growth, Productivity, and Prosperity
- Outstanding Council and Council Services

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### **Report in full**

1. StreetScene operate an annual capital replacement programme in order to review the plant and machinery on fleet, ensuring it is fit for purpose and it is meeting all health and safety requirements.
2. EDDC has a statutory duty to clean public realm and highways, to keep clear of litter & refuse, so far as is practicable to codes laid out in the Environmental Protection Act 1990. EPA 1990 imposes duties under section 89(1) and (2) “.....to keep specified land clear of litter and refuse, and on local authorities and the Secretary of State to keep clean public highways for which they are responsible.
3. The Capital Replacement Request is submitted annually to replace large machinery (such as mechanical road sweepers and ride on mowers) that have come to the end of their lifespan. For the upcoming financial year, there is a requirement to replace 4 mechanical road sweepers, 3 ride on mowers, 1 tractor, 1 chipper and 1 flail. There is

currently a total budget shortfall of **£420,400** for the procurement and purchase of the above items (£272,919 for cleansing; £147,481 for grounds).

4. The appended sheet documents the machinery and plant that requires replacement due to these items not being fit for purpose, Members should also be aware that these redundant assets will be sold privately or at auction obtaining a capital receipt for the council as is normal practice.
5. StreetScene have been unable to demo any potential new machinery (due to the pandemic) and were also exploring the possibility of switching some large machines over to electric in order to assist the Council in its Climate Change targets. This delay has resulted in not being able to ascertain an accurate budget figure until now with what is required to replace the end of life machinery.
6. Despite not being able to physically see or demo electric road sweepers, we have met with a few different manufacturers and our evaluation of the electric road sweepers that are currently on the market is that the technology for effective cleaning is not quite ready – cost of an electric road sweeper is c£280k compared to c£80k for a Euro 6 Internal Combustion Engine (ICE) mechanical sweeper.
7. We plan to change to electric alternatives at the next replacement period in 2026 where we will be more confident that the technology would have advanced further and the price improved.
8. We have however managed to procure 29 smaller hand tools from our revenue budget (such as strimmers and hedge trimmers) which are all electric and we are due to receive these in time for the start of the new cutting season.
9. The StreetScene machinery and plant asset register was scheduled to be reviewed and updated during the course of 2020 and this was being undertaken by a fixed term Business Support officer within the team. However this role ceased at the end of May 2020 and not extended to complete the task due to the pandemic. This meant that the completion of this task completed by the Budget & Equipment Monitoring Officer later in the year on top of other tasks.
10. Subsequently, a full audit of the council's machinery has been undertaken including a full overhaul of the StreetScene machinery and plant asset register within very short timelines for the preparation of service plans, it was not possible this year to provide the absolute details of machinery and plant that required replacing in 2021/22 within the budget preparation timeline.
11. Ordinarily the Capital Machinery Replacement Programme is set in line with the annual budget process but due to unprecedented workloads generated by the pandemic already putting the service under pressure and the tasks above, we were unable to meet this deadline.
12. The purpose of the annual machinery replacement programme is to replace all machinery that have come to the end of their lifespan. If these replacements are not made then existing machinery will have to be retired due to them being at the end of their serviceable life, and therefore we will not be able to undertake the tasks as required.

13. The value of the replacement programme each year is around c£150k with peaks when we have large machines to be replaced such as mechanical road sweepers. Our machinery list has over 400 items of machines / equipment on it with lifespans between 2-6 years and so this annual replacement programme is a normal and continual requirement for efficient and safe operation.
  14. It is not possible to continue to use the mechanical road sweepers for another year, not only would this severely impact the revenue budget to pay for repairs, the recent engineers reports indicate that any fix is temporary and the reality is the machines will spend more time off the road than actually sweeping. There are currently 2 sweepers that haven't been used since December due to this fact.
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### **Financial implications:**

As explained this should have come forward as part of the budget process. This would have been presented in the budget as rolling budget requirement in terms of essential equipment replacement. Although this is significant inclusion in the programme there have been other variations that mitigate this increase.

### **Legal implications:**

The legal implications are detailed in the report.