

Report of the Portfolio Holder for Environment and Climate Change

Vehicle Fleet Replacement Programme – Reallocation of Capital Budgets**1. Purpose of Report**

The purpose of the report is to seek approval for the reallocation of a proportion of the capital expenditure budget for fleet vehicle procurement, from both the 2027/28 and 2026/27 programmes.

2. Recommendation

Cabinet is asked to RESOLVE that the capital budgets for the fleet vehicle and plant replacement programme be reallocated across financial years to allow for the early purchase of two vehicles be approved.

3. Detail

This report outlines the proposed reallocation of capital funding originally allocated in the 2026/27 and the 2027/28 budget cycle for two key vehicle assets with the Council's fleet: a refuse freighter and a JCB. The adjustments are necessary due to recent operational developments and vehicle reliability issues.

Refuse Freighter

On 10 December 2024, a refuse freighter vehicle suffered an engine fire. Following assessment, the insurers deemed the vehicle economically unrepairable and wrote it off. The insurance settlement paid out £8,750, less a £250 excess.

The loss of this vehicle has resulted in a shortfall within the refuse collection fleet, necessitating in frequent hire of a replacement vehicle at approximately £1,000 per week to maintain service continuity.

To mitigate operational disruption, it is proposed to bring forward an allocation from the 2026/27 capital programme budget back into 2025/26, allowing for the immediate procurement of a replacement vehicle within the current financial year.

JCB

The depot's JCB was acquired in 2020. It has experienced ongoing mechanical problems, including engine fan failures and filter blockages, which have required multiple repairs. The frequency and cost of these repairs are becoming uneconomical and continued investment in repairs to this vehicle are no longer viable.

Currently scheduled for replacement in the 2027/28 cycle, the vehicle's persistent issues have rendered it unsuitable for continued use. It is proposed to advance the budget allocation for the JCB's replacement from the 2027/28 to the 2026/27 capital programme.

The reallocation of these capital funds will ensure uninterrupted service delivery and operational efficiency. Approving these adjustments will facilitate timely procurement of the respective replacements, thereby minimising operational risks and additional costs.

4. Key Decision

This report is a key decision as defined under Regulation 8 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 as it will result in the Council incurring a capital expenditure of £250,000 or more.

5. Updates from Scrutiny

Not applicable.

6. Financial Implications

The comments from the Assistant Director Finance Services were as follows:

The approved capital programme for 2025/26 to 2027/28 includes the fleet and plant replacement programme totalling £2.250m. This is currently split £880k in 2025/26; £715k in 2026/27; and £655k in 2027/28. The budget captures the investment required to replace fleet vehicles and plant machinery that have reached their lifecycle limit that underpins individual financial viability.

The proposal is to bring forward £230k for the refuse freighter from 2026/27 into the current year capital programme and to reallocate £85k for the JCB from the 2027/28 capital programme into the 2026/27 capital programme. The updated split would therefore be £1.110m in 2025/26, £570k in 2026/27, and £570k in 2027/28. The total programme would remain the same with the cost being funded from prudential borrowing.

There would be an earlier uplift in revenue costs in 2026/27 with sooner than anticipated capital financing costs of around £38k. These will be picked up as part of the annual budget setting process.

7. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

There are no direct legal implications arising from this report.

8. Human Resources Implications

Not applicable.

9. Union Comments

Not applicable.

10. Climate Change Implications

Not applicable.

11. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

12. Equality Impact Assessment

Not applicable.

13. Background Papers

Nil.