

## Delegated authority officer decision notice

Local Government Act 2000 and the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

<b>Decision made by</b>	Andrew Busby, head of Development and Corporate Landlord in conjunction with Simon Hewings, Head of Finance and in consultation with Councillor Mark Coleman cabinet member for environmental services.
<b>Lead officer contact details</b>	John Backley, Technical Services Manager Tel: 07917 088317 Email: John.backley@southandvale.gov.uk
<b>Decision (Keep this succinct)</b>	The decision is for the provision of vehicles to carry out shared grounds maintenance, toilet cleaning and facilities services (jointly with South Oxfordshire District Council) by means of an agreement from the Pretium framework.
<b>Key decision?</b> (see notes below)	Yes KEY DECISIONS 23 a to incur expenditure, make savings or to receive income (except government grant) of more than £75,000;
<b>If key decision, has call-in been waived by the Scrutiny Committee chair(s)?</b>	No
<b>Confidential decision, and if so under which exempt category?</b>	No
<b>Delegated authority reference from the constitution</b>	<u>General Delegations</u> 1.0 Financial To incur expenditure within approved capital and revenue budgets. 6.3 CONTRACTUAL AND FINANCIAL MATTERS To sign on the council's behalf any contract for works, good or services.  <u>Financial Procedure Rules</u> Paragraph 52. All borrowing, leasing, finance and credit arrangements, will be effected by the head of finance.
<b>Risks</b>	If Council decide before 28 days they wish to cease all vehicles they will need to pay for full 28 days.  Mitigation: This is considered low risk as this is a very short period of time and no anticipated changes to the services within 28 days.

	<p>The rates of the new Pretium rate card are very high.</p> <p>Mitigation: The rates will be reviewed by officers before finalising the contracts and any issues arising from the new rate card will be resolved with Pretium or not entered into. However, the daily rate costs increased on 1 April 2023, but the Pretium rates are always lower than the daily hire rates.</p>
<p><b>Reasons for decision</b></p>	<p>Moving the short-term hire of the vehicles on the daily rate to the Pretium framework will reduce the cost to the Councils.</p> <p>The framework allows for vehicles to be off hired without any financial penalty without notice.</p>
<p><b>Alternative options rejected</b></p>	<p>To use other frameworks – soft market testing has been carried out on other frameworks and established that due to the current poor market and availability of suitable vehicles providers and manufacturers are unable to supply us with new vehicles immediately. The current lead time is up to a year.</p> <p>The alternative option which officers have rejected is to continue with current daily hire rates at a higher cost to the Council.</p>
<p><b>Climate and ecological implications</b></p>	<p><u>Grounds Maintenance</u>  There is no current infrastructure for the Grounds Maintenance to charge EV vehicles and this will need to be resolved before it becomes practical for vehicles to be charged.</p> <p>Even if there was charging infrastructure, suitable Electric Vehicles (EV) vehicles are not currently available that have the capacity to tow as required.</p> <p>As specifications and towing capacities improve and suitable vehicles become available the Pretium framework allows for vehicles to be exchanged for EV's.</p> <p>As EV vehicles become suitable for the work required they can be exchanged for current vehicles</p> <p><u>WC Cleaning</u>  The vehicles for the cleaning team will be EV's as the chargers in the Council owned car parks can be used to charge the vehicles overnight and whilst the cleaners are carrying out duties in the toilet facilities.</p> <p><u>Facilities</u>  The facilities team will need to review the use of either electricity supply from Abbey House or the EV chargers located in the nearby council owned carparks. However, the Energy Savings Trust report shows that suitable vehicles are now available as EV and therefore when selecting a vehicle from the new rates the facilities team will consider this.</p> <p>Currently officer time is being taken up by major projects, additional resources will therefore be required to investigate the costs and purchase</p>

	<p>of electric vehicles for the cleaning and parks team. It is anticipated that the purchase of these small electric vans will take up to one year to procure and deliver and therefore in the short term these vehicles will be leased. This may include facility vehicles if budget is available.</p>																								
<p><b>Legal implications</b></p>	<p>The framework is compliant with procurement regulations.</p> <p>A framework agreement form will need to be signed.</p> <p>The terms and conditions of the Pretium framework have been reviewed and confirmed that the framework allows for vehicles to be off hired without any financial penalty without notice.</p>																								
<p><b>Financial implications</b></p>	<p>The new rates for the Pretium Framework have now been published effective from 1 April 2023. The current daily hire rates are expected to rise within the current year. For comparison purposes the new Pretium rate has been compared to the current daily hire rate, however from June when an 11 percent increase is expected, these savings will be greater.</p> <p>The total estimated cost of lease is</p> <table border="1" data-bbox="424 869 1378 1245"> <thead> <tr> <th>Service Area</th> <th>Total estimated annual cost of all vehicles required £</th> <th>Vale</th> <th>South</th> </tr> </thead> <tbody> <tr> <td>Grounds Maintenance</td> <td>98,269</td> <td>76,650</td> <td>21,619</td> </tr> <tr> <td>Facilities</td> <td>31,602</td> <td>22,121</td> <td>9,481</td> </tr> <tr> <td>PC Cleaning</td> <td>10,395</td> <td>4,470</td> <td>5,925</td> </tr> <tr> <td>Parks</td> <td>6,117</td> <td>6,117</td> <td>NIL</td> </tr> <tr> <td>Total</td> <td>146,383</td> <td>109,358</td> <td>37,025</td> </tr> </tbody> </table> <p>Appendix A shows the currently daily hire rates in comparison to the new Pretium rates.</p> <p>Overall (both Councils) estimated saving based on current daily rates up to 31 May show at:</p> <p>Grounds Maintenance £12,005  Facilities -£7,511 (new vehicles will be electric and not diesel – therefore running costs will be cheaper)  Cleaning team £2,438</p> <p>However current hire rates may be increasing within the year and therefore if the Pretium rates are not approved the overall costs will increase, thus making the savings greater.</p> <p><u>Budgets</u>  Grounds Maintenance  Vale (78%) PA42 3000 £76,650  South (22%) OP02 3000 £21,619</p> <p>Facilities  Vale (70%) PS21 3000 £22,121</p>	Service Area	Total estimated annual cost of all vehicles required £	Vale	South	Grounds Maintenance	98,269	76,650	21,619	Facilities	31,602	22,121	9,481	PC Cleaning	10,395	4,470	5,925	Parks	6,117	6,117	NIL	Total	146,383	109,358	37,025
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	South (30%) PS39 3000 £ 9,481 Cleaning Vale (43%) CL31 3000 £ 4,470 South (57%) WC99 3000 £ 5,925																												
<b>Other implications</b>	<p>The minimum hire period is just 28 days, after which you can return the vehicle at any point without penalty. The only cost the Council will incur would be for any outstanding payments for racking, equipment etc.</p> <p>Pretium do not set a fix term for the call off contract, as the actual supply of new vehicles can be staggered over several months. The hire period itself is flexible and the length of hire will depend on several factors including mileage and condition. The Framework Price Schedule allows for periods from 28 days up to 5 years.</p> <p>If we ask for additional equipment to be fitted to new vehicles and then subsequently cancel the hire of that vehicle, we will be required to pay back the price of the bespoke equipment.</p>																												
<b>Background papers considered</b>	SMT report 2 December 2020 SMT report November 2022																												
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	Finance <a href="mailto:Finance@southandvale.gov.uk">Finance@southandvale.gov.uk</a>	Kathy Merritt	Agreed	28.03.23
	Climate and biodiversity <a href="mailto:climateaction@southandvale.gov.uk">climateaction@southandvale.gov.uk</a>	Heather Saunders	<p>1) Facilities vehicles. We acknowledge Angela's concern about leaving vehicles with tools in council car parks overnight. We suggest therefore that your report recommends investigating charge points at Abbey House. We feel that, even if the councils are only using the site for a few years, the provision of charge points would future proof the building and be attractive for future users.</p> <p>2) We note that there is no current infrastructure for the Grounds Maintenance team to charge EV vehicles and this will need to be resolved before it becomes practical for vehicles to be changed. We feel it would be very helpful if you could make an additional statement in the Climate Implications that EV charging provision for the grounds maintenance fleet is part of the plans for a permanent depot. This helps to explain why you need to lease non EV vehicles in the short term. Could you also add the outline timescale for the depot if that is available.</p> <p>3) We note that suitable Electric Vehicles are not currently available that have the capacity to tow. We understand however that the majority of the grounds maintenance fleet does not tow and that suitable alternative EV vehicles for the non-towing element of the fleet are already available, and mainly cost effective, as set out in the EST report. We feel that this could be more clearly explained in your text. Could you please clarify in your report the proportion of the fleet that requires the towing option. Could you therefore also state the number of remaining grounds maintenance fleet vehicles for which EV alternatives are available on the market now.</p>	05.04.23
	Risk and insurance <a href="mailto:risk@southandvale.gov.uk">risk@southandvale.gov.uk</a>	Yvonne Cutler Greaves	If PC cleaning team are able to lease EV vehicles there may be insufficient budget for allotted as it is currently based on diesel vehicles have sufficient contingency funds ? Please inform Insurance if EV vehicles are leased as this will have an impact on premiums.	27.03.23
	Health and Safety <a href="mailto:Healthandsafety@southandvale.gov.uk">Healthandsafety@southandvale.gov.uk</a>	Deb Porter	Leased vehicles must be subject to periodic safety checks by users and diligence checks by the councils to ensure leased vehicles and associated contracts are managed to safety and compliance standards.	29.03.23

	Procurement <a href="mailto:procurement@southoxfordshire.gov.uk">procurement@southoxfordshire.gov.uk</a>	Angela Cox	Agreed this is a compliant route to market and will achieve savings by switching to a longer term contract at lower day rates.	24.03.23
	Head of Finance	Simon Hewings	Approved	08.06.23
	Relevant cabinet member	Mark Coleman		20.06.23
<b>Confidential decision?</b> If so, under which exempt category?	No			
<b>Call-in waived by Scrutiny Committee chairman?</b>	No			
<b>Decision maker's signature</b> To confirm the decision as set out in this notice.	 Signature: Date: 20.06.2023			

**ONCE SIGNED, THIS FORM MUST BE HANDED TO DEMOCRATIC SERVICES IMMEDIATELY.**

For Democratic Services office use only		
Form received	Date: 21 June 2023	Time: 13:27
Date published to all councillors	Date: 21 June 2023	
Call-in deadline	Date: 28 June 2023	Time: 17:00

**Appendix A – Estimated savings based on new Pretium rates and current daily rate (due to a price increase as of 31.5.23) and on current vehicle specification. (Joint with South Oxfordshire District Council)**

Grounds Maintenance Vehicles (20k miles per year)	Current Daily Rate £	Current Pretium Rate £
YH68BHE (4 x 4 pick up)	33.46	21.27
DS69SXD (car)	26.36	26.36
FE18YAF (single cab tipper)	29.00	26.55
KT19FXJ (single cab tipper)	29.00	26.55
FN67ROU (double cab tipper)	31.06	28.39
FE18YAH (double cab tipper)	31.06	28.39
BN18NKF (double cab tipper)	31.06	28.39
FL21ASX (double cab tipper)	31.06	28.39
FJ68OSK (double cab tipper)	31.06	28.39
BG70CMV (single cab tipper)	29.00	26.55
Total daily charge	302.12	269.23
Total annual charge (365 days)	£110,273.80	£98,268.95

Estimated Saving based on current rates before current rate price increase		£12,004.85
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Facilities Vehicles (10k miles per year)	Current Daily Rate £	Current Pretium Rate £
LWB Diesel van (to Electric)	22.00	28.86
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LWB Diesel van (to Electric)	22.00	28.86
Total daily charge	66.00	86.58
Total annual charge (365 days)	£24,090	£31,601.70
Estimated Saving based on current rates.		-£7,511.70

Cleaning Vehicles (10k miles per year)	Current Daily Rate £	Current Pretium Rate £
GL18XDJ	17.58	14.24
Assistant Supervisors van	17.58	14.24
Total daily charge	35.16	28.48
Total annual charge (365 days)	£12,833.40	£10,395.20
Estimated Saving based on current rates before current rate price increase. (NOTE: second van is a new appointment and not yet hired.)		£2,438.20

Park Vehicle (10k miles per year)	Current Daily Rate £	Current Pretium Rate £
Small Van (electric)	New vehicle	16.76
Total daily charge	NIL	16.76
Total annual charge (365 days)	£NIL	£6,117.40

### Pretium rate car 1 April 2023 to 31 March 2024

Standard Diesel Vehicles	1-27 Days			28 Days +		
	10k	15k	20k	10k	15k	20k
Average Mileage per Annum						
Small Van	£17.19	£19.11	£19.94	£14.24	£14.94	£15.67
Sub 1 Tonne Van	£19.21	£20.03	£20.90	£14.92	£15.65	£16.42
SWB Panel Van	£24.79	£25.47	£26.74	£18.19	£18.90	£19.73
LWB Panel Van	£28.88	£29.09	£30.00	£22.90	£23.62	£24.49
LWB Panel Van 4m High-Top	£36.86	£37.34	£38.62	£29.23	£30.32	£31.52
5-Seat Crew Van	N/A	N/A	N/A	N/A	N/A	N/A
6-Seat Crew Van	N/A	N/A	N/A	N/A	N/A	N/A
4x4 Double Cab Pick-Up	£24.68	£26.02	£27.55	£19.36	£20.29	£21.27
Dropside (Bodied Van)	£40.31	£41.52	£42.67	£32.11	£33.15	£34.09
Luton Tail Lift	£44.64	£45.74	£46.70	£35.72	£36.80	£37.69
Single Cab Tipper	£30.47	£32.37	£34.37	£24.18	£25.43	£26.55
Double Cab Tipper	£32.65	£33.76	£35.30	£25.93	£27.24	£28.39

Electric/Alternative Fuel	1-27 Days			28 Days +		
	10k	15k	20k	10k	15k	20k
Average Mileage per Annum						
Small Van	£24.73	£25.77	£26.91	£16.76	£17.73	£18.79
Sub 1 Tonne Van	£25.69	£27.61	£28.70	£17.85	£18.83	£19.92
SWB Panel Van	£35.55	£37.38	£39.50	£26.28	£27.25	£28.31
LWB Panel Van	£38.67	£39.94	£41.34	£28.86	£30.20	£31.63

Telematics	Per Day Charges
Control	£0.40
Control +	£0.69
Control + with Driver ID	£0.71
Control + with forward facing camera & driver ID	£0.97