

FLEET ASSET CLASS: CAPITAL PROGRAMME MONITORING 2013/14

1. Purpose of Report

This report provides Members with an overview of the progress of the Fleet Asset Class Capital Programme for the current financial year.

2. Recommendations

Members are asked to note:-

2.1 the progress updates on the 2013/14 Fleet Asset Class Capital Programme as reflected at **Appendix 1** to this report and that it is currently anticipated that the programme will be delivered on budget against the funding allocations, and within the timescales previously agreed by this Committee;

2.2 that a further bid for £350k has been submitted to enable accelerated replacement of the Fleet Asset Class in 2013/14; and

2.3 that further monitoring reports will be brought to this Committee during the course of the year to provide further updates on the progress of Fleet Asset Class Capital Programme.

3. Agreed Programme

3.1 The Policy and Resources Committee, at its meeting of 9 October 2012, set the strategic direction for the development of the Council's capital investment programmes through agreeing high level funding allocations to asset classes and corporate priority projects for 2013/14 and, on an indicative basis, for the subsequent 2 financial years.

3.2 The agreed funding allocation for the Fleet asset class is £0.660 Million per annum for each of the upcoming 3 financial years 2013/14 – 2015/16 and this Committee, at its meeting of 19 March 2013, agreed the detailed allocation of that amount to fund vehicle replacement in 2013/13, noting that proposed allocations for future years will be included in the revision of the Fleet Asset Management Plan scheduled for completion in Autumn of 2013, which will be reported to Policy and Resources Committee at that point.

3.3 The funding allocation for the current financial year has been reduced by £328,000, as that sum was made available for accelerated purchase of accessible buses in 2012/13 due to slippage elsewhere within the Capital Programme. The net allocation for 2013/14 is therefore £332,000. **Appendix 1** provides details of the agreed funding allocations, including the £328,000 brought forward to 2012/13.

4. Key Issues

4.1 **Appendix 1** provides an analysis of spend to date and projected outturn for the current year on each of the broad vehicle classes within the Fleet Capital Programme. The overall position reflected at **Appendix 1** is that it is currently forecast that the funding available in 2013/14 will be fully utilised in line with the agreed programme, with full commitment anticipated by October. Four second-hand buses were procured which will enable further reduction in the replacement programme for accessible buses in future years, and a slight but welcome acceleration of the programme for replacement of other operational vehicles. A Capital Expenditure Profile is also included for information.

4.2 The bid for funding for the Fleet Asset Class in March 2013 pointed out that some 139 Council-owned vehicles were more than 7-years old, and that additional funding of up to £390k per annum above the current level above would bring the age of the Fleet (excluding buses) to within 7 years over the next 5 years.

4.3 Given the availability of funding, due to under-utilisation of available funding within other asset classes, a bid was made to the Policy & Resources Committee meeting of 5 November 2013 for £350k to enable accelerated replacement of fleet items in 2013/14.

Appendix 2 details the vehicles likely to be prioritised for replacement, subject to consultation with service departments as to future requirements.

4.4 Further reports will be presented to Members during the remainder of the financial year to provide regular updates on the progress of fleet replacement against the indicative timings reflected at **Appendix 1**.

5. Governance Assurance

Members of the Strategic Asset Board have been consulted as part of the preparation of this report and are in agreement with its terms.

6. Impact Assessment

As this report does not propose a change in policy, the formal adoption of a plan, policy or strategy it is not necessary to complete an Impact Assessment.

Author

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Appendices – 2

Appendix 1 – Fleet Asset Class Monitoring Statement and expenditure profile, as at 31 August 2013

Appendix 2 – Indicative List of Vehicles to be Replaced from Additional Funding

Background papers

Item 7 – Development of Capital Investment Strategy – Policy and Resources Committee – 9 October 2012

<http://egenda.dumgal.gov.uk/aksdumgal/users/public/admin/kab12.pl?cmte=PRC&meet=8&arc=71>

Item 15 – Capital Investment Strategy Monitoring 2013/14 for the period ended 31 August 2013, incorporating updates on the land, ICT/Business Systems and Property/Buildings (Non-Schools) Asset Class Monitoring Positions – Policy and Resources Committee – 5 November 2013

<http://egenda.dumgal.gov.uk/aksdumgal/users/public/admin/kab14.pl?operation=SUBMIT&meet=26&cmte=PRC&grpid=public&arc=71>