

## Decision Report - Executive Decision

Forward Plan Reference: FP/23/08/05

Decision Date – 12/01/2023

Key Decision – yes



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### Fleet Gritter Replacement Programme

Executive Member(s): Lead Member for Transport and Digital

Local Member(s) and Division: Not Applicable

Lead Officer: Mike O'Dowd Jones, Interim Service Director Infrastructure and Transport

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### Summary / Background

1. Somerset Council is the Highway Authority for Somerset and is responsible for the safety of the travelling public. The Authority has a statutory duty to keep the highway clear from snow and ice complying with legal obligations concerning the safety of the travelling public, under the Highways Act 1980 (England and Wales). Under S41 of the Highways Act 1980 *a highway authority is under a duty to ensure, so far as is reasonably practicable, that safe passage along a highway is not endangered by snow or ice.*
2. Somerset Council currently operates a fleet of 23 dedicated gritters of which 4 are now over 10 years old. The nature of winter gritting operation is that these assets suffer significant deterioration due to excessive abrasive corrosion resulting from the salting operations. The oldest gritters in the Councils' fleet are now experiencing significant maintenance and repair attention and next year these will be subjected to higher maintenance rates charged by the highways Term Maintenance Contract provider for maintenance of fleet over 10 years old. Furthermore, the risk to service delivery due to aging of the fleet is a significant concern due to time off road for repairs and maintenance. The risk to service delivery has been well recorded through the PMO reporting process.
3. This report is for the award of contract to supply four new gritters to support the Highways winter fleet, following a Non-Key decision taken on 17 March 2023 to go out to tender using TPPL framework. The decision paper is contained in Appendix D The decision to award the contract will benefit Somerset customers, communities and businesses by providing the much-needed resilience to the winter fleet, ensuring that the highways service keeps the network accessible and passable throughout the winter period.

## **Recommendations**

The Officer, being Mike O'Dowd Jones, Acting Service Director Infrastructure and Transport, in consultation with Cllr Richard Wilkins, Executive Lead Member for Transport and Digital agrees:

4. To award the Contract to Bucher Municipal for the supply of 4 new gritter lorries as specified in the specification and detailed in the Tender Evaluation Report. Subject to the call off recommendations of the Commercial and Procurement Spend Control board as detailed in clause 23 below.
5. The case for exempt information of the Confidential Tender Evaluation Report (Appendix B) to be treated in confidence pursuant to Local Government Act 1972 – Schedule 12A - *Information relating to the financial or business affairs of any particular person (including the Authority holding that information)*.

## **Reasons for recommendations**

6. The reason for the recommendation is to enable the Council to continue to meet its statutory requirements pursuant the Highways Act 1980.

## **Other options considered.**

7. Two other options were considered during the options development.
  - Extending asset life – not viable due to down time for repair and maintenance creating unacceptable risk to service delivery and significant increase in repair maintenance cost.
  - Hire fleet / Highways Term Service Contract provider supply of fleet – This option was rejected on grounds that there is no revenue budget available and there is no revenue generation or income to cover the costs of leasing as is the case for other fleet vehicles such as Passenger Transport fleet.

## **Links to Council Plan and Medium-Term Financial Plan**

8. **Funding.** The capital funds for the acquisition of 4 new gritters were identified and agreed in the 2022/23 Capital MTFP. The Capital Project Bid Appraisal is contained at Appendix C.
9. **Council priorities.** The award will support the following Council priorities:

- A Greener, More Sustainable Somerset – With due regard to the Council’s Climate emergency, the new vehicles comply with latest carbon emission standards (euro 6), replacing 4 existing vehicles under the Euro 5 codes.
- A Flourishing and Resilient Somerset – The new vehicles will enable the Highways Winter Service to provide and maintain an accessible highway network during winter conditions which directly links to this priority which states *“Businesses need excellent transport and digital connections to access markets, distribute their goods and services and have access to their workforce. We will influence and drive support for improving connectivity to those parts of our county that need it the most”*.

## **Financial and Risk Implications**

10. **Capital Funding** for the procurement of 4 New Gritters has been identified in the MTFP 2022/2023 and is available for the procurement of the vehicles. The funds are identified in the Full Council MTFP budget report for 2022/2023. The funds are currently available in the Fleet Service Capital budget for 2023/2024. Further to the recommendations of the Commercial and Procurement spend control board, the service proposes to draw down funds for 2 units this financial year and a draw down capital funds for two units in the financial year commencing April 2024.

11. **Revenue implications.** Maintenance costs are built into the current and proposed Highways Term maintenance Contract provider schedule of rates. The Highways Term Maintenance Contract will benefit from newer vehicles incurring reduced maintenance rates.

## **12. Risks**

- The risk implications of a non-decision are:
  - Business – Reduced service. Winter gritting is a high-profile function and any reduction in service or failure to deliver would result in significant reputational damaged to the Council.
  - Legal – Failure to comply with our Statutory duties. The risk of not treating the defined network in accordance with the national guidance on winter service provision would leave the council open to legal and insurances challenges.
  - Financial
    - Civil claims could arise from failure of service.
    - Increase maintenance costs and new cost risk with new TMC contract if the Council continue to operate older fleet.

- Increased unbudgeted revenue expenditure to hire in fleet to mitigate risks with winter service delivery. These costs would be in excess of £100 000.00 to full mitigate the identified risk.

### **Legal Implications**

13. The Contract will be under the standard Terms and Conditions of the TPPL framework – NEPO224 HGV – Call Off Contract.

### **HR Implications**

14. None

### **Other Implications:**

### **Equalities Implications**

15. Equalities impact assessment is not required. There are no equality implications of this decision. This has been agreed by the Equalities team.

*“Looking through your report and on the basis that is about the replacement of some of the gritter fleet, then no there are no adverse impacts associated with this decision and therefore no EIA is needed” - Farmer A. Equalities and Risk Manager. Email dated 12/10/2023.*

### **Community Safety Implications**

16. The safety of the travelling public (highway users) is a responsibility of the Council and a legal obligation. The provision of new gritters will enable the Highways Service to exercise its obligations and create safer roads for the public during winter.

### **Climate Change and Sustainability Implications**

17. With due regard to the Council’s climate emergency. The oldest of the fleet of diesel gritters are under the old Euro 5 emissions standards whereas the current emissions standards (Euro 6).

18. There are no fully electric gritters commercially available on the market as yet. One supplier does offer an electric powered hopper and spinner (rather than hydraulic) which claims to reduce emissions up to 19%. Upon further scrutiny of the product, it was deemed that due to recharge times, could not provide the council with

required resilience during times of continuous operation. Furthermore, the EV charging infrastructure is not yet available in the depots. Future fuel alternatives currently in development will be a better consideration for heavy fleet options in coming years.

### **Health and Safety Implications**

19. There is no additional Health and Safety risk to the Council identified. The new gritters will be fitted with four-way camera systems which will give drivers better visibility around the vehicles during operations. Existing fleet being replaced do not have camera systems fitted.

### **Health and Wellbeing Implications**

20. There are no health and wellbeing implications identified.

### **Social Value**

21. Social Value was not included within the mini competition as suppliers approved on the TPPL framework were assessed at Framework level on their willingness to offer social value to Members. All suppliers who bid for this contract had answered 'yes' when asked to confirm their willingness to work with Members on delivery of social value on contracts via the framework – it was a yes/no question. The Framework doesn't require that a social value question is included in mini competitions.

### **Financial Emergency, Spend Control board comments / recommendations:**

22. The decision was referred to the Commercial and Procurement spend control board for further consideration regarding the in year spend. The spend control board reassessed the procurement options including lease options. The board were also presented with the financial risk and service risks associated with maintaining and running older fleet. The board recommended that the service proceed to purchase 2 of the 4 proposed gritting vehicles in in the current year and defer the purchase of 2 vehicles to 2024/2025 financial year. This would provide the best balance between mitigating risk across both years and spreading the spend. It would also achieve an in year saving of £297,088.00.

23. Further advice from Commercial and Procurement team is to award the contract for the supply of all 4 gritters to mitigate the risk of price increase and call off 2 gritters this year and 2 gritters in 2024/25.

### **Scrutiny comments / recommendations:**

24. The proposed decision has not been considered by a Scrutiny Committee. The decision report will be forwarded to the Scrutiny Chair for signoff.

### **Background**

25. Somerset Council currently operates a fleet of 23 dedicated gritters of which 4 are now over 10 years old. The nature of winter gritting operation is that these assets suffer significant deterioration due to excessive abrasive corrosion resulting from the salting operations. The oldest gritters in our fleet are now experiencing significant maintenance and repair attention and next year these will be subjected to higher maintenance rates charged by the highways Term Maintenance Contract provider for maintenance of fleet over 10 years old. Furthermore, the risk to service delivery due to aging of the fleet is a significant concern due to time off road for repairs and maintenance.

26. The condition of the aging fleet poses a risk to the delivery of the highways winter service and in conjunction with Fleet Services team the need to replace the oldest of the gritting fleet was agreed.

27. The capital bid for the replacement of the new gritters was raised by Fleet Services in the 2022/2023 MTFP. This was subsequently approved. The proposal is contained at Appendix C.

28. The Winter Project Team and Fleet services then recommended that the

### **Background Papers**

28. All background papers are included in the Appendices below.

**Assurance checklist (if appropriate)**

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	21/10/2023
Communications	Peter Elliott	20/10/2023
Finance & Procurement	Nicola Hix	03/01/2024
Workforce	Alyn Jones	18/10/2023
Asset Management	Oliver Woodhams	18/10/2023
Executive Director / Senior Manager	David Carter	17/10/2023
Strategy & Performance	Alyn Jones	18/10/2023
Executive Lead Member	Mike Rigby	26/10/2023
<b>Consulted:</b>	<b>Councillor Name</b>	
Local Division Members	Not applicable	
Opposition Spokesperson	Councillor Diogo Rodrigues	04/01/2024
Scrutiny Chair	Councillor Martin Dimery	04/04/2024