

## **BROMSGROVE DISTRICT COUNCIL**

### **RECORD OF DECISION TAKEN UNDER URGENCY PROCEDURES**

**Subject:** Approval of on-going use of third-party vehicle maintenance and hire arrangements to support Refuse Collection Operations

**Brief Statement of Subject Matter:**

This Urgent Decision is linked to previous reports regarding the state of the Waste Collection Fleet and Maintenance arrangements approved in reports approved 24 July 2024, and 7 January 2025.

Environmental Services has been reliant on third party providers to support maintenance of our existing aging fleet, as well as funding to support the use of hire vehicles that allow Redditch based Refuse Vehicles to be used in Bromsgrove due to the unique diamond lift equipment required to service our wheeled bins.

New vehicles have been ordered, and arrangements are being made to allow us to transition to the new fleet in December as per the previous reports, but it has been identified that the delay since the original report approved in July 2024 has resulted in the amount of additional expenditure being incurred through two of our contractors on vehicle hire and third-party maintenance will now exceed the approved values and will require approval as a Key Decision to continue and ensure compliance with our responsibilities regarding use of public funds.

The Finance team have confirmed that funding is in place to offset this additional cost using grant funding received from Extended Packaging Responsibilities (EPR) for 2025/26. There is no impact on the Medium-Term Financial Plan, but procedurally this will require additional authority to support the use of this funding to maintain services until the new fleet arrives and removes the current reliance on hire vehicles to maintain services.

Existing compliant contract arrangements are in place to support the continued use of the third-party providers to support these requirements, and a review of the financial regulations has confirmed that IFRS16<sup>1</sup> does not apply to the extended period of hire, as the individual vehicles on hire have changed during the hire period.

The expected spend associated with this urgent decision is approximately £220,000 on Hire costs, and up to £300,000 on Repairs and Maintenance support, but the latter has potential to increase subject to the level of repairs required and potential market inflation arising from current Tariff changes.

**Decision:**

This urgent decision is requested to grant delegated authority to relevant officers to enable them to continue with existing arrangements whereby refuse vehicles will continue to be hired, and external vehicle maintenance arrangements sourced, in line with previous approvals linked to replacement of the existing fleet.

**Date:** April 2025

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<sup>1</sup> International Financial Reporting Standards are a global accounting standard that allow for transparent comparison of financial accounts from public companies around the world. IFRS16 relates to how leases are managed, and potential liability related to longer term leases.

