

Report to:	EXECUTIVE
Item number	5
Relevant Officer:	Karen Smith, Head of Care and Support
Relevant Cabinet Member	Councillor Kath Rowson, Cabinet Member for Adult Social Care
Date of Meeting	19 th June 2014

REPLACEMENT OF VEHICLES FOR VITALINE

1.0 Purpose of the report:

- 1.1 The proposed Purchase of two Ford Fiesta cars for the Vitaline Service, for mobile response wardens to use to respond to vulnerable people across Blackpool. Replacing two existing leased vehicles with purchased vehicles through Prudential Borrowing at 4.94% rate, as leasing is no longer the Council's preferred method of managing vehicles.

2.0 Recommendation(s):

- 2.1 To approve the purchase of two ford fiesta vehicles from £17,564, funded through Prudential Borrowing.

3.0 Reasons for recommendation(s):

- 3.1 This is the most economical way of ensuring the service is using safe vehicles which are fit for purpose.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? Yes

3.2b Is the recommendation in accordance with the Council's approved budget? No

3.3 Other alternative options to be considered:

To lease the vehicles, this is not suitable for the financial reasons set out in the information section.

Not to replace the vehicles, this would result in the cancellation of service.

4.0 Council Priority:

4.1 The relevant Council Priority is “Safeguard and protect the most vulnerable “

5.0 Background Information

5.1 The Vitaline Service supports people to remain at home and as independent as possible through the provision of an emergency alarm and monitoring system. Across Blackpool, the service includes a mobile response for people who require support urgently and in the event of an uninjured fall at home from which they cannot rise without support.

5.2 In December 2013 Vitaline responded with a mobile response 563 times, an average of 18 call outs per day. The current vehicles (06 plates) are now out of lease and the lease has been extended temporarily. One vehicle has been written off following a no fault accident and both vehicles have required intensive maintenance over the past two/ three years. The cost of maintenance (£9,000) means that the cost of borrowing to replace is £3,000 less per year than the current vehicle costs.

5.3 The purchase of new vehicles will result in effectively a reduction in costs, helping in relation to the financial return of the service. The budget contains a £6,000 vehicle lease element, which is sufficient to meet the requirements of the proposed financial borrowing to purchase the vehicles.

5.4 Executive approval is required to prudential borrow £17,564 over 3 years to finance the procurement of the replacement vehicles. In budget terms this level of prudential borrowing will require annual repayments averaged out at £5,855 over the three year borrowing period, which is accounted for within the Vitaline budget.

5.5 In terms of the option to prudentially borrow, this has been established in conjunction with Finance as the most cost effective way of obtaining the vehicles.

5.6 Failure to replace the existing fleet will ultimately lead to inability to deliver the services and failing to meet the needs and expectations of the local community and a consequential loss of business.

5.7 Does the information submitted include any exempt information?

No

5.8 List of Appendices:

None

6.0 Legal considerations:

6.1 The decision, as with all decisions involving Prudential Borrowing should have regard to the provisions related to Prudential Borrowing under the Local Government Act 2003 and CIPFA Prudential Code.

7.0 Human Resources considerations:

7.1 None

8.0 Equalities considerations:

8.1 None

9.0 Financial considerations:

9.1 Prudential borrowing is the cheapest option available to Vitaline, this will result in savings of £3,000 a year based on the current lease agreement.

10.0 Risk management considerations:

10.1 Unable to deliver services without replacement fleet which is becoming unfit for purpose. Significantly increased repairs/maintenance/hire costs will result if the existing, old fleet is not replaced.

11.0 Internal/ External Consultation undertaken:

11.1 None

12.0 Background papers:

12.1 None

ONLY APPLICABLE FOR REPORTS WHICH WILL EVENTUALLY BE CONSIDERED BY THE EXECUTIVE/ CABINET MEMBER

13.0 Key decision information:

13.1 Is this a key decision? No

13.2 If so, Forward Plan reference number:

13.3 If a key decision, is the decision required in less than five days? No

13.4 If **yes**, please describe the reason for urgency:

14.0 Call-in information:

14.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

14.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC SERVICES

15.0 Scrutiny Committee Chairman (where appropriate):

Date informed:

Date approved:

16.0 Declarations of interest (if applicable):

16.1

17.0 Executive decision:

17.1

17.2 Date of Decision:

18.0 Reason(s) for decision:

18.1 Date Decision published:

19.0 Executive Members in attendance:

19.1

20.0 Call-in:

20.1

21.0 Notes:

21.1