

PERTH AND KINROSS COUNCIL

Finance & Resources Committee

12 June 2024

Policy on Disposal of Minibuses

Report by Strategic Lead - Environment and Infrastructure (Report No. 24/187)

1. PURPOSE

- 1.1 The purpose of this report is to seek approval to amend the Council's policy on the disposal of Fleet and Mechanical Equipment, with specific regard to minibuses which have reached the end of their operational life within Council service.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Finance & Resources Committee:
- (i) agrees that the Disposal of Fleet and Mechanical Equipment Policy is amended to allow an option to transfer minibuses, if deemed suitable, to community groups;
 - (ii) remits officers to develop a policy for disposal of minibuses and selection criteria for transfer of suitable vehicles to community groups.

3. STRUCTURE OF REPORT

- 3.1 This report is structured over the following sections:

- Section 4: Background
- Section 5: Proposal
- Section 6: Conclusion
- Appendices

4. BACKGROUND

- 4.1 The disposal of minibuses currently falls under the current general policy for the disposal of Fleet & Mechanical Equipment approved as an appendix to the Fleet & Mechanical Equipment Asset Management Plan agreed by Strategic Policy & Resources Committee in June 2015 (report 15/255 refers). The current policy was last reviewed in 2022 and is attached at Appendix 1 for ease of reference.
- 4.2 The current arrangement in place for the disposal of all PKC Fleet assets is by way of public auction; via Morris Leslie auctions in Errol or Wilsons Auctions in Kilmarnock. The sale proceeds from auction contribute towards the borrowing costs for future fleet replacements. At present, income from the sale of a

minibus at auction would typically be around £2,500-£2,750. The contract for auction services is subject to usual public procurement requirements.

- 4.3 At present minibuses are generally replaced on the basis of an expected 8 year lifecycle in accordance with the Fleet Asset Management Plan approved in January as part of the Council's Corporate Asset Management Framework (report 24/18 refers). This can be extended in individual cases where it has been assessed by officers as economically viable to do so.
- 4.4 Public transport is an important and challenging issue, particularly in our more rural areas. Communities have been voicing their concerns in relation to this more and more in the last couple of years. In response to this, as part of the 2024/25 Revenue Budget, the Council agreed an investment of £325,000 over the next three years to assess the feasibility of different models of public, subsidised and community transport across Perth and Kinross.
- 4.5 We also recognise from our engagement with community groups that lack of access to a vehicle such as a minibus can be a barrier to many communities implementing their own local transport solutions, despite a willingness to do so.

5. PROPOSAL

- 5.1 Recognising the importance of community transport in any future public transport model, it is proposed that the policy position of disposal by way of public auction for minibuses be changed; allowing those that are deemed in an adequate and appropriate condition for community use, to be transferred over to them.
- 5.2 Work will require to be done to set out clear policy criteria. It will be particularly important to have clarity on what constitutes "adequate and/or appropriate for community use". Not all surplus vehicles will be suitable for transfer to community groups; key factors will be condition, anticipated life cycle post transfer, potential future repair liability and of course, safety. We also anticipate that demand for such vehicles will outweigh availability, so we will also need to establish a fair process for determining how decisions will be made.
- 5.3 It is proposed to seek political direction from the Strategic Investment Advisory Group (SIAG) to help shape the policy for disposing minibuses and the selection process. It is the intention that the new policy be brought back to the Finance and Resources Committee for approval, in September.
- 5.4 In the interim, no minibus presently scheduled for disposal shall be sent to auction. Detailed inspections can then be carried out to determine which vehicles are suitable for transfer and to ensure that these are then given an MOT prior to disposal. Anticipated minibus numbers at end of operational life by year are shown below.
 - 2024/25 = 14
 - 2025/26 = 0

6. CONCLUSION

- 6.1 The proposed change in policy means that our ability to generate an income via sale proceeds is diminished. It has the potential however to create far greater public value; presenting an opportunity to work in partnership with communities to help develop more innovative local transport solutions.
- 6.2 Whilst the new policy will be based on a presumption of transfer to community groups, it is crucial that a risk-based approach is taken to identify which vehicles are suitable for transfer to community ownership.

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Y
Corporate Plan	Y
Resource Implications	
Financial	Y
Workforce	Y
Asset Management (land, property, IST)	Y
Assessments	
Equality Impact Assessment	Y
Strategic Environmental Assessment	
Sustainability (community, economic, environmental)	Y
Legal and Governance	Y
Risk	Y
Consultation	
Internal	Y
External	Y
Communication	
Communications Plan	Y

1. Strategic Implications

Community Plan/Single Outcome Agreement

1.1 This report supports the following of the priorities within the Community Plan 2022-27.

- (i) *Skills, learning and development.*
- (ii) *Employability*

Corporate Plan

1.2 This report supports the objectives within the draft new Corporate Plan: -

- (i) *People and businesses are increasingly able to prosper in a local economy which support low carbon ambitions and offers opportunities for all;*
- (iii) *Perth and Kinross is a safe and vibrant place, mitigating the impact of climate and environmental change for this and future generations.*

2. Resource Implications

Financial

2.1 There would be a potential loss of income from not selling the vehicles and handing them over to community groups at an average current sale receipt of £2,500-£2,750 per vehicle. As stated in paragraph 5.4, an assessment on

vehicle condition would be made after the end of operational life for the Council with the potential for some vehicles to have repair work undertaken to bring them up to MOT standard. This would be done on a case by case basis. However, this potential loss of income should be considered in the context of the wider community benefit from having access to transport at a local level with no upfront cost to community groups. It is considered that the potential level of reduction in income receipt is minimal in the context of the Council's longer term vehicle replacement programme and the associated impact on loan charges would be contained in the Fleet revenue account.

- 2.2 The Finance team reiterated the requirement that PKC have no further involvement with or responsibility for any vehicle once it is transferred to a community group.

Workforce

- 2.3 There are no direct workforce implications arising from this report.

Asset Management (land, property, IT)

- 2.4 There are direct asset management implications, as noted throughout the report.

3. Assessments

Equality Impact Assessment

- 3.1 There are no Equality Impact Assessment issues arising other than the potential benefits to those community groups acquiring minibuses from PKC.

Strategic Environmental Assessment

- 3.2 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals. There are none arising from this proposal.

Sustainability

- 3.3 The proposals in this report support the Council's policy objectives with regard to a sustainable environment.

Legal and Governance

- 3.4 As stated in paras 5.2 and 5.3 above, work will require to be carried out to set out clear policy criteria. It is proposed to seek political direction from the Strategic Investment Advisory Group (SIAG) to help shape the policy for disposing minibuses and the selection process to transfer to community groups.

Risk

- 3.5 The key risk regarding the implementation of the proposal in this report is the loss of income which has been discussed in the body of the report.

4. Consultation

Internal

- 4.1 The proposals in this report have been discussed with officers from the various relevant Council Services, as described above. Members have also been involved in some of the discussion.

External

- 4.2 There has been contact between some community groups and Council Officers and Members. This has established that there is interest in end of use minibuses by community groups.

5. Communication

- 5.1 This take place with all parties once the report has been considered.