Slough Borough Council

Report To:	**Cabinet**
Date:	20 July 2026
Subject:	Replacement Domestic Refuse Fleet
Lead Member:	Councillor Khawar - Lead Member for Environment and Public Realm
Chief Officer:	Patrick Hayes – Executive Director Regeneration, Housing and Environment
Contact Officer:	Matthew Hooper – Director Highways and Environment
Ward(s):	All Wards
Key Decision:	YES
Exempt:	NO
Decision Subject To Call In:	YES
Appendices:	N/A

1. Summary and Recommendations

1.1 Approval is being sought to procure up to 17 (seventeen) new, specialist 26 tonne refuse collection vehicles via the Procurement of Fleet (Vehicles and Associated Assets) Framework 2024 under Lot 7 Medium & Heavy Commercial Vehicle Conversions. Link Treasury Services Ltd (trading as Link Group) is managing the framework on behalf of Halton Housing.

1.2 Delaying procurement will lead to high risk of service failure, increased costs and not being able to meet statutory obligations.

Recommendations

Cabinet is recommended to:

a) Approve the direct award of contract to Dennis Eagle Ltd. for the purchase of up to 17 new refuse vehicles as the first placed bidder on the Halton Housing framework at a total cost of £3.987m.

Reason:

In 2017 SBC procured 18 (eighteen) 26 tonne refuse collection vehicles to enable the statutory domestic refuse & recycling collection from residential properties. These vehicles have now reached the end of their primary efficient working life cycle (nine years old) and are now becoming inefficient, with increased annual maintenance costs and the risk of vehicle failure. SBC changed to fortnightly collections and managed to reduce the number of vehicles down by 1 to 17.

This proposal links to the following priorities of the SBC Corporate Plan:

- **A borough for children and young people to thrive –** having clean and safe environments for children and young people to live in and to play and exercise in is a key requirement for a child's development.
- **A town where residents can live healthier, safer, more independent lives –** feeling safe in a well maintained and clean environment encourages people to live healthier and independent lives.
- **A cleaner, healthier and more prosperous Slough.** Well kept environments bring pride to communities and are attractive to visitors to Slough.

Commissioner Review

The Council has a statutory duty to provide a borough wide domestic refuse collection and specified recyclable household waste. The current fleet is aging with high maintenance costs, risk of significant expensive failures creating large costs and service disruption, and the current maintenance contract is due to expire in November 2027.

The Councils financial position and debt reduction strategy requires it to limit future borrowing and capital spending. Borrowing is planned to finance the new capital expenditure, which will create a revenue impact on the Council's general fund budget. The report is supported by commissioners on the basis that borrowing is essential to support the delivery of the Council's statutory obligations, the expenditure represents the optimal value for money outcome for the Council and that there are no alternative funding sources currently available.

Cabinet should note that this position will be kept under review and should the position change, other viable sources of funding such as capital receipts or other capital resources become available, these will be prioritised and borrowing substituted in the capital programme, to ensure the level of actual borrowing is the minimum amount required.

Commissioners are content for this report to be considered.

2. Report

Introductory paragraph

2.1 SBC's Refuse Crews are responsible for collecting statutory domestic waste and recycling from the 56,000 households in Slough each week. In order to undertake collections efficiently and safely it is essential that we operate a fleet of refuse collection vehicles that are reliable and meet all current safety and emissions standards. Our current fleet of 18 refuse collection vehicles are at the end of their efficient working life and maintenance costs are steadily increasing.

2.2 Due to re-routing, moving to fortnightly collections and variations in vehicle specifications, we are seeking to replace 17 vehicles, a reduction of one from the current fleet. Options to refurbish vehicles have been considered but at a cost of £90k to refurbish the body (having already been refurbished once), and with the chassis and running gear (engine, gearbox) still being 10 years old in 2027, this option does not offer value for money.

2.3 The new vehicles will be direct replacements for those currently on the Dennis Eagle maintenance contract. It should be noted that this maintenance contract ends in November 2027. The Council will consider compliant procurement routes to ensure effective maintenance of the new vehicles.

2.4 The maintenance cost of the newer vehicles will be at a lower cost than maintaining vehicles that are now nine years old. The current maintenance contract cost per RCV as shown below would reduce by circa £5k per new vehicle delivered per annum over the remaining term of the current maintenance contract that expires in November 2027. If 17 vehicles were replaced this would lead to a reduction in annual revenue maintenance costs of £85k.

Per vehicle	**2025-2026**	**2026-2027**
Current	£19,305	£20,832
New	£14,220	£15,840

2.5 The current vehicles will be sent to auction for disposal and will generate a capital receipt for SBC of around £5k - £7k each.

2.6 The Council has a statutory duty to provide a borough wide domestic refuse collection & recycling service for the residents of Slough. Food waste is being collected under a separate outsourced contract.

2.7 There are Health and safety implications to running an ageing fleet with the increased risk of mechanical and structural failure. As part of its initiative to cut fatal and serious injuries caused by traffic accidents in half by 2030, the EU is changing its regulations on vehicle safety through the General Safety Regulations EU-GSR2. Active safety features that support drivers became mandatory on European vehicles from 2024 under the new GSR regulation. The aim is to reduce human error while protecting the occupants of vehicles, pedestrians, and cyclists.

2.8 The EU has estimated that the new rules will save more than 25,000 lives and avoid a minimum of 140,000 serious injuries by 2038. The GSR is one component of an EU road-safety strategy that includes improved risk-mapping and modernised rules on road infrastructure, with particular focus placed on the protection of vulnerable road users in urban areas.

2.9 The EU is working to reach “Vision Zero” – its goal of achieving zero fatalities and serious injuries on roads in Europe by 2050. The purchase of new vehicles will meet with new EU-GSR2 safety legislation outlined below and meet the highest level of direct vision requirements.

2.10 Eight mandatory active safety features will be required for new trucks built from July 2024:

- Blind Spot Information System
- Reversing Information
- Moving Off Information System
- Tyre Pressure Monitoring System
- Emergency Stop Signal
- Alcohol Interlock Installation Facilitation
- Drowsiness & Attention Detection
- Traffic Sign Recognition

Two further mandatory active safety features will be required for vehicles built in 2026

- Intelligent speed assistance 2026 Advanced distraction recognition and prevention will be mandatory.
- Distraction Recognition & Detection (From Q3 2026) The direct vision requirements and event data recorder regulations will apply.

The specification of the vehicles and anticipated delivery dates will mean all of the safety features will be fitted to any new vehicles which will mean the vehicles will meet all legislation and be the safest available. However, all of the above safety features are not fitted in our current fleet and it is proving difficult to find suppliers who can provide a quote to retrofit these features as most fleet operators are choosing to replace with new vehicles with the safety systems incorporated. There is an increasing requirement from regulatory bodies to require fleet operators to comply with the EU safety legislation.

2.11 Alternative specifications, such as split body vehicles and vehicles fitted with food pods to enable simultaneous food waste collections have been considered, but rejected due to reliability and capacity issues, along with higher maintenance costs.

2.12 Fitting the refuse collection vehicles (new or existing) with bin weighing capabilities has also been considered, but high installation costs preclude this at present. For each vehicle, the equipment would be £15,000 with ongoing maintenance costs of £8,000 per annum per vehicle. In addition, there are the costs of purchasing RFID tags for every bin in the borough at around £50,000 and the cost of fitting those tags to each bin of circa £35,000. These costs are considered too high compared to any potential benefits.

2.13 The capital budget of £3.897m was approved by Council in February 2026, and it is expected to be funded from borrowing. The profile of this is set out in the table below. Due to the long lead time of around 14 months, the budget has been profiled to reflect the expected expenditure between financial years 2027/28 and 2028/29 (payment is due on delivery).

Capital Program	26/27	27/28	28/29	Total
DSO replacement RCV's	£nil	£2.537m	£1.360m	**£3.897m**

2.14 The purchase price for each vehicle is £235k and it is intended to purchase ten vehicles initially in phase 1 at a cost of £2.355m and a further (up to) seven in phase 2 at a cost of £1.542m. The total cost for the purchase of 17 vehicles is £3.995m, should 17 vehicles be needed the £98k funding gap will be covered by receipts from the disposal of the old vehicles.

Options considered

Option 1: 'Do Nothing':

The existing vehicles are retained and maintained for as long as possible. We would be able to continue delivering the service but at a higher overall cost due to the increasing maintenance costs keeping these vehicles roadworthy. The vehicles have been worked hard and are starting to suffer from down time due to component failure, costs to continuously repair are increasing. **Not recommended**

Option 2: Refurbish whole or part of the RCV fleet:

Consideration has been given to refurbishing the whole or part of the RCV fleet. The whole fleet has been worked hard over the past 9 years and has already had body and hopper floors replaced as part of the current maintenance contract and will be due for further major component replacements (engine, hydraulics, bodywork, electrics, compactor system) which can cost between £115k and £198k within the next 12-18 months. This type of vehicle suffers extensive wear due to the continuous loading and compacting of refuse, making the bodies unstable when worn. Due to previous refurbishments, vehicles may not be suitable for further refurbishment. Refurbishment would depend on whether the vehicle body can be restored while maintaining structural integrity and ensuring SBC can continue to provide services reliably. Officers are therefore of the view that refurbishment represents a high-risk option that would not provide the operational resilience, whole-life value for money, or service certainty that can be achieved through replacement of the fleet, which should be done as soon as possible.

Refurbishment of Existing Vehicles

- Major refurbishment (engine, hydraulics, bodywork, electrics, compactor system) can cost between £115k and £198k (50%–85% of the price of a new vehicle). See table below. If the chassis, body, and systems all need work, the investment may not provide enough additional service life to justify the cost.
- Cost of body refurbishment only based on 7-year-old vehicle (vehicles are now 9 years old) to enable a further 3-year life cycle is estimated at £90k. All vehicles would need to be examined and quoted on by current condition.
- Most refurbishment allow for metal plates being welded on top of existing worn plates which increases vehicle weight and reduced carrying capacity that may impact collection routes
- Refurbishing a vehicle may extend its life by between 2 and 3 years. However, a vehicle that is already 9 years old is at risk of requiring further structural and mechanical component replacements.

Other factors to consider when refurbishing vehicle:

Limited Remaining Chassis Life

- Refuse trucks operate under extreme loads and stop-start cycles, causing structural fatigue and potential safety risks.
- After ~8–10 years, chassis rails, suspension mounts, and frame components may already be significantly worn.

Downtime and Operational Disruption

- Refurbishment can take months, leaving the fleet short of vehicles.
- Hiring temporary vehicles will increase operational costs.

Obsolete Components or Technology

- Parts for older hydraulic systems, electrical modules, or control systems may be obsolete or difficult to source.
- Integrating newer systems into an older vehicle can be complex.

Emissions and Environmental Compliance

- To maintain euro 6 emission standards the exhaust will require replacement.

Higher Ongoing Maintenance Costs

- Even after refurbishment, ancillary components (wiring, sensors, valves, pumps) may continue to fail due to age.
- Maintenance costs often remain higher than with newer vehicles.

Lower Reliability and Service Risk

- Waste collection routes require high reliability.
- An older refurbished vehicle may still have unpredictable breakdowns, risking missed collections.

Reduced Residual Value

- A refurbished 9-year-old vehicle will have limited resale value compared with a newer truck.
- Investing in refurbishment may not translate into recoverable asset value.

SBC vehicles have already been refurbished at 5/6 years old as part of the current maintenance contract, it is likely the metal is now becoming fatigued and unable to be refurbished a second time, and it may make the vehicles structurally unsound to use.

Financially refurbishment of a 9/10-year-old vehicle is not viable, as there would be significant risk of vehicles being out of service for long periods, and the asset value would still be at a level of its age.

Example of the refurbishment costs for a single vehicle based on a 7-year-old vehicle (vehicles are now 9 years old) is shown in the table below. The cost of a complete refurbishment is estimated at £198k for a single vehicle, and to refurbish 17 vehicles would be £3.4m. If vehicles are viable, at best this may extend the vehicles life by 2-3 years.

Number of vehicles	Body & Hoist	Engine	Exhaust dpf	Gearbox	Electrical	Sub total A	Hire pw	No weeks PV	Sub total B	Grand total
	£k	£k	£k	£k	£k	£k	£k		£k	£k
1	90	35	10	20	10	**165**	1.280	26	**33**	**198**
17	1,530	595	170	340	170	**2,805**	21.760	26	**566**	**3,371**

Not recommended (Option 2: Refurbish whole or part of the RCV fleet)

Option 3: Replace RCV fleet (Up to 17 vehicles)

2.14.1 This option provides maximum reliability, reduced maintenance costs and the strongest operational resilience for a statutory frontline service. It also delivers the highest level of safety for operatives and members of the public through newer vehicle design, enhanced visibility and compliance with the latest safety requirements, including the new generation of active safety systems now fitted as standard on newly supplied heavy vehicles.

2.14.2 Environmentally, this option represents a clear improvement on retaining the ageing fleet because newer vehicles are more fuel efficient, produce lower emissions and reduce the risk of higher-polluting breakdowns associated with older vehicles. While a fully electric fleet has been explored, it is not currently considered affordable or operationally deliverable at scale because of the significant additional costs of vehicles, depot charging infrastructure, grid upgrades and specialist maintenance support.

2.14.3 However, purchasing replacement vehicles now does not close off future decarbonisation, rather it provides a practical transition route, with the potential to refurbish vehicles and explore conversion to electric power at around 4 to 5 years if the technology, infrastructure and funding position become more favourable. This option is therefore the most balanced approach in terms of service continuity, safety, value for money and environmental improvement. **Recommended.**

3. Implications of the Recommendation

3.1 Financial implications

3.1.1 A capital budget of £3.897m was approved in the February 2026 Cabinet, to be funded from borrowing. The report sets expected purchase costs of £3.897m for the (up to) 17 vehicles required to be managed within the available funding. The annual financing costs are approximately £0.7m arising from the vehicle purchase (based on current interest rates). As part of the MTFS and the treasury management strategy review for 2026/27 onwards the financing requirements have been reviewed, and the financing costs are incorporated in the approved MTFS. The annual financing costs relating to the existing fleet (also £0.7m) procured in 2017/18 ceased in 2024/25.

3.1.2 The capital programme (approved in February 2026) assumed that the £3.897m would be funded from GF borrowing. As with all schemes which require GF borrowing work is ongoing to review available grant funding including the Extended Producer Responsibility grant for 2027/28 and 2028/29 with a view to utilising the grant funding to purchase some of the vehicles and reduce the GF borrowing required. This is a critical requirement for the Council given it's reliance on Exceptional Financial Support. The capital programme will be updated accordingly once it has been established how much of the vehicles can be funded from grants.

3.1.3 The operational maintenance and running costs are budgeted within the approved service revenue budgets. A new fleet will positively impact on maintenance costs, with an ageing fleet, cost is incurred with the increasing need for repairs compounded by the need to hire in a replacement vehicle during a repair. Therefore, a revenue saving of c£5k per vehicle, £85k per annum will be released from 2029/30.

3.1.4 Purchase of the replacement RCV fleet is the lowest cost option when looked at over the lifecycle of the vehicles. Leasing options have been explored but based

on whole life cost analysis are between 20-30% more expensive than purchasing. The residual value from the disposal of the current fleet be used to fund an element of the purchase costs, marginally reduce the council's borrowing requirement..

Option	Cost	Annual Lease	Capital Repayt	Interest	Total Lease maint. 7 Years	Total Finance /Lease Costs 7	Total SBC Maint 7 yrs	Total Maint 7 Years	Total Cash Outlay 7 Years	Net Present Cost @5%
Purchase	£236k		£236k	£49k	-	£285k	£128k	£128k	£413k	£325k
Lease No Maintenance		£53k	£236k	£132k	-	£368k	£128k	£128k	£496k	£408k
Lease - basic maintenance		£61k	£236k	£132k	£58k	£426k	£70k	£128k	£553k	£408k

3.1.5 The option to refurbish selected vehicles in the existing fleet has also been considered but given the fleet is already 9 years old, the significant costs of refurbishing the various vehicle components, compounded by the down time and need to hire in replacement vehicles, and that a significantly extended life cannot be guaranteed, refurbishing is not an economically viable option.

3.1.6 Purchasing the new vehicles will provide the option, after 4 – 5 years, for the vehicles to be refurbished and converted to electric power. This may extend the life cycle of the vehicles and allow sourcing of grant funding to install the required electric charging infrastructure in readiness. Grant funding opportunities for vehicle conversions will be explored. However, purchasing replacement vehicles now does not close off future decarbonisation; rather, it provides a practical transition route, with the potential to refurbish vehicles and explore conversion to electric power at around 4 to 5 years if the technology, infrastructure and funding position become more favourable. This option is therefore the most balanced approach in terms of service continuity, safety, value for money and environmental improvement.

3.2 Legal implications

3.2.1 The Environmental Protection Act 1990 requires all local authorities to collect household waste and undertake street cleansing.

3.2.2 The goods vehicle operator licensing scheme is administered by the Driver and Vehicle Standards Agency (DVSA) on behalf of the traffic commissioners. Any organisation that operates vehicles over 3,500kgs are legally required to hold a license, to obtain the licence organisations must demonstrate and evidence strict professional competencies that include, financial standing, operation locations, maintenance contracts, professional qualifications of named transport manager.

3.2.3 As part of any operator licence the DVSA will detail maintenance frequencies that will be required as part of granting a licence, SBC has been granted a licence based on all commercial vehicles having a planned maintenance inspection (PMI) every six weeks, in addition DVSA have standards that must be achieved in order to maintain your licence, failure to meet the standard could result in fines and curbing restrictions place on the licence or revocation of the licence. Standards include (SBC current standards are 100% in each category):

- 95% first time MOT pass rate
- 90% on time PMI inspections
- 100% tachograph tests

- 100% LOLER tests (if applicable)

3.2.4 The Halton Housing framework is accessible to local authorities and has been established following a procurement process conducted in compliance with the Public Contracts Regulations 2015.

3.2.5 The Council's Contract Procedure Rules (CPRs) state that framework agreements that have been established by other public sector bodies that are accessible to the Council must be used in accordance with the terms and conditions of the relevant framework agreement.

3.2.6 The authority to procure through a framework must follow the authorisation routes set out in the Application and Authorisation Table in the CPRs. The total cost for the purchase of up to 17 vehicles from Dennis Eagle Ltd is £3,897,000 For contracts with a total value of £1,000,000 l or above for capital spend, approval to award must be obtained by a Cabinet decision.

3.3 Risk management implications

Description of risk	Risk/Threats/Opportunities	Current Controls
Dennis Eagle has agreed to honour pricing until 2027 subject to getting purchase orders in 2026	Delays in getting approval would lead to company raising prices	If unable to provide purchase orders in 2026, would mitigate using underspend in capital available or reducing number of vehicles ordered
Delays in order fulfilment	We would continue to operate current vehicles until order fulfilment is met	Current vehicles will be used to mitigate any delays and would continue to be covered on the maintenance contract which is in place but would be unable to reduce the fleet due to reliability issues until new fleet is delivered
Risk of vehicles becoming obsolete in the near future	The change to commercial vehicles power sources (diesel to electric) does not affect these vehicles.	The vehicles will have the capability to be refurbished at around 5 years old and if required changed to electric power.

3.4 Environmental implications

3.4.1 Newer vehicles will be better for the environment as a result of lower emissions and better fuel efficiency.

3.4.2 Options to purchase electric vehicles have been investigated. However, Slough does not currently have the infrastructure to support vehicles of this type. In addition, the use of commercial electric vehicles is still an area of development. Electric vehicles of this size and specification are significantly more expensive placing them above the available budget. The current shortage of microchips and wiring/electrical components and qualified mechanics to deal with these types of vehicles also means that acquiring these vehicles is not recommended at present.

3.4.3 Estimated infrastructure costs for 3 electric refuse vehicles is approximately £15,000 per vehicle for infrastructure. This includes civil engineering (e.g. digging trenches to lay cabling for chargers). Electric charging units are approximately £3,500 to £5,000 each for slow chargers. Rapid charging units, which would be more suitable for the type of operation, are £30-50,000 each. Ongoing maintenance for chargers would be approximately £5,000 per unit. Specialist maintenance for electric vehicles would require retraining of maintenance staff at a cost of approximately £15,000 per individual in addition to significant changes to the workshop to accommodate electric vehicle maintenance which would cost £75,000. Alternatively maintenance could be provided by the vehicle manufacturer at a premium of approximately £25,000 per vehicle. This would also mean additional costs to deliver and collect each vehicle for every planned maintenance event (each vehicle serviced six weekly) which may lead to additional vehicles being required. If grid updates are required for the supply of electricity this would add a further circa £100k to the costs.

There are grants available to subside certain aspects of implementing a electric fleet but even if these grants are secured the total costs will still be significantly above budget.

3.5 Equality implications

3.5.1 There are no direct equality impact implications arising from this report, particularly in relation to our residents

3.6 Procurement implications

3.6.1 The value of the procurement means that the expenditure must be made in compliance with Procurement Regulations and the council's Contract Procedure Rules.

3.6.2 The Halton Housing framework has been established in accordance with the Public Contract Regulations 2015 and purchases made using this framework will be compliant with these regulations. The framework represents value for money as there are a number of suppliers on the framework, who have had their economic, financial and technical standing assessed and are ranked accordingly. Dennis Eagle has achieved the top ranking. The cost of using the Halton Housing framework is considerably lower than using other frameworks.

4. Background Papers

None