

Report to: **Salcombe Harbour Board**

Date: **29 February 2016**

Title: **Replacement of Fork Lift**

Portfolio Area: *Salcombe Harbour*

Wards Affected: **All**

Relevant Scrutiny Committee: O & S Cttee

Urgent Decision: **N** Approval and clearance obtained: **N**

Date next steps can be taken: **N/A**
(e.g. referral on of recommendation or implementation of substantive decision)

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Recommendations:

1. That the Harbour Board APPROVES the release of up to £30,000 +VAT from the Renewals Reserve to fund the replacement of the fork lift.

1. Executive summary. The recent HSE-mandated independent inspection of the fork lift has identified that it has reached the end of its serviceable life and is unlikely to pass any future inspections. The fork lift is a crucial element of plant which is heavily used during normal harbour operations including boat lifting, waste management and moving heavy items such as mooring blocks.

2. Background.

a. Plant owned by the Harbour consists of a crane and forklift. The crane was recently refurbished and its planned replacement date is 2025. The long-term renewals plan had the fork lift's replacement date as 2017, however the recent inspection has indicated that the main jib bearing housing has worn to the extent that it must be replaced. Unfortunately

due to the age of the fork lift these parts are no longer made and the fork lift is considered to be beyond economic repair due to its age.

3. Options available and consideration of risk. There are 3 options available:

a. **Do nothing.** If the existing fork lift was retained then it would almost certainly be condemned at the next inspection and a replacement would have to be immediately sought at the risk that best value for money might not be obtained due to time constraints. This option is not recommended.

b. **Like-for-like replacement.** Like-for-like replacement would be the cheapest option but not the best since the existing fork lift already has insufficient lifting height to reach the workshop upper level. Its lifting capacity is another limiting factor. Although this option allows for a planned retirement of the existing plant this option is not recommended as it would become obsolete before reaching the end of its service life.

c. **Procure a replacement which is a better 'fit' for present and future harbour operations.** The Harbour Staff have extensively investigated the market for a suitable replacement which overcomes the existing limitations but is also small enough to fit in the Workshop and manoeuvrable enough to work in the small compound areas. The most suitable vehicle is a JCB teletruk (better reach, lifting capacity and height; safer vehicle as side-arm does not obscure driver's vision). Second-hand models are available but even low-age (3 year old) models normally have a high number of hours because of their utility. An ex-demonstration model is available for £30,000 + VAT (which is significantly cheaper than the list price of £41,000 + VAT). It is recommended that this option be taken forward.

4. Funding.

a. There are 2 funding options available: either the Harbour purchases it outright and recharges Commercial Services for the hours employed on non-SHA business (eg boat lifting and winter storage) or capital costs are shared with Commercial Services. The former is more likely given their existing Reserve levels.

b. The Harbour's Renewal Reserve has £21,000 allocated to fork lift truck replacement in 2017. Additionally only £22,000 of the £37,000 allocated for crane replacement in 2016 was used during the recent refurbishment: in effect the Harbour Reserves have up to £36,000 allocated to plant replacement over the next 2 years. It is proposed that up to £30,000 be used to replace the fork lift which would result in a slight (£6,000) reduction in the overall expenditure against plant vs that budgeted.

5. Proposed Way Forward. Engage with regional JCB retailer to obtain best price for ex-demo 'teletruk'. Engage with Commercial Services to see if cost-share can be agreed; if not, recharge hours employed on boat lifts etc to recoup capital costs over its service life.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	N	The Salcombe Harbour Order 1954. HSE plant regulations
Financial	Y	Up to £30,000 from the Renewals Reserve is released to fund the fork lift replacement
Risk	Y	There is a risk that the Authority's operations are adversely impacted if a replacement is not sourced
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	None
Safeguarding	N	None
Community Safety, Crime and Disorder	N	None
Health, Safety and Wellbeing	N	Plant operations are safer once the replacement is sourced
Other implications	N	

Supporting Information

Appendix:

None

Background Papers:

None

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes/No
SLT Rep briefed	Yes/No
Relevant Exec Director sign off (draft)	Yes/No
Data protection issues considered	Yes/No

If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	Yes/No
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