

APPENDIX 3:

READING BOROUGH COUNCIL

FINANCIAL IMPLICATIONS - CAPITAL & REVENUE BUDGET AND RISK ASSESSMENT

£9M ROADS & PAVEMENT INVESTMENT PROGRAMME 2020/21 TO 2022/23

The financial implications arising from the proposals set out in this report are set out below:

1. Revenue Implications:

	2021/22 £000	2022/23 £000	2023/24 £000
Employee costs (see note1)	0	0	0
Other running costs (On-going Maint.)	0	0	0
Capital financings costs	0	0	0
Expenditure	0	0	0
Income from: Fees and charges (see note2) Grant funding (specify) Other income	0	0	0
Total Income	0	0	0
Net Cost (+)/saving (-)	0	0	0

2. Capital Implications

Capital Programme reference from budget book: page line	2021/22 £000	2022/23 £000	2023/24 £000
Proposed Capital Expenditure	3,750	3,750	0
Funded by Grant (specify) Section 106 (specify) Other services Capital Receipts/Borrowing	3,750	3,750	0
Total Funding	3,750	3,750	0

3. Value for Money (VFM)

This is a statutory service provision.

The tender was advertised in accordance with Public Contract Regulations 2015 and included a 60/40 split between tender price and quality.

The size of the 3-year programme ensured that very competitive tenders were received and the rate per m2 has come in considerably lower than in previous contract years showing a 15% decrease in like for like costs.

4. Risk Assessment.

The Council has a duty under the Highways Act 1980 to maintain the public highway. The investment programme will reduce the risk to the Council and the public for decades to come. The on-going maintenance costs will be absorbed within existing revenue budgets for highway maintenance.

Method statements agreed with winning contractor to ensure delivery during the Covid Pandemic to minimise disruption.

Supply chain for products risk mitigated by the contractor buying large volumes & stockpiling materials based on the size of the Residential Road surfacing programme.