

APPENDIX 2:

READING BOROUGH COUNCIL

FINANCIAL IMPLICATIONS - HIGHWAY MAINTENANCE CAPITAL INVESTMENT

£ 8M ROADS & PAVEMENT INVESTMENT PROGRAMME 2022/23 TO 2026/27

£ 4M HIGHWAYBRIDGES & STRUCTURES CAPITAL INVESTMENT PROGRAMME 2022/23 TO 2023/24

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

1. Revenue Implications:

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Employee costs (see note1)	0	0	0	0	0
Other running costs (On-going Maint.)	0	0	0	0	0
Capital financings costs	0	0	0	0	0
Expenditure	0	0	0	0	0
Income from: Fees and charges (see note2) Grant funding (specify) Other income	0	0	0	0	0
Total Income	0	0	0	0	0
Net Cost (+)/saving (-)	0	0	0	0	0

2. Capital Implications

Capital Programme reference from budget book: page line	2021/22 £000	2022/23 £000	2023/24 £000	2025/26 £000	2026/27 £000
Proposed Capital Expenditure:					
Residential Roads	2,000	1,500	1,500	1,500	1,500
Bridges & Structures	1,500	2,500	0	0	0
Funded by Grant (specify) Section 106 (specify) Other services Capital Receipts/Borrowing					
	3,500	3,000	1,500	1,500	1,500
Total Funding	3,500	3,000	1,500	1,500	1,500

3. Value for Money (VFM)

This is a statutory service provision.

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

The size of the capital programmes delivered to date have clearly demonstrated that very competitive tenders were received, and the overall rates achieved has been considerably

lower than in previous contract years, showing a 15% decrease in like for like costs resulting in more work to be delivered by the contract.

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 will be agreed with winning contractors to ensure delivery and to minimise disruption that may be caused by the on-going Covid Pandemic.

Supply chain for products risk will be mitigated by the contractor buying large volumes & stockpiling materials based on the size of the capital programmes.

Increasing fuel costs is and will remain a risk pressure which will need to be managed throughout the programmes.