

APPENDIX 1:

READING BOROUGH COUNCIL

FINANCIAL IMPLICATIONS - PAN BERKSHIRE ITS CONTRACT

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)	51	53	56	59	62
Other running costs (On-going Maint.)	425	445	484	500	510
Capital financings costs	0	0	0	0	0
Expenditure	476	498	540	559	572
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 (-)	-476	-498	-540	-559	-572

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: Dependant of capital award	tbc	tbc	tbc	tbc	tbc
Funded by Grant (specify) Section 106 (specify) Other services Capital Receipts/Borrowing	200	200			
Total Funding	200	200			

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 will be dependent on capital bids and awards through various DfT grants. A Pan Berkshire ITS Contract will deliver competitive tender rate, but to be determined due to the current uncertain financial climate.

4. Risk Assessment.

The Borough Council, as Highway Authority, has a duty under the Traffic Management Act 2004 (Section 16(1)) to ensure that the expeditious movement of traffic on the authority's road network and facilitates the expeditious movement of traffic on road networks for which another authority is the traffic authority.

From 30 July 2021, Councils shall have regard to the statutory guidance 'Traffic Management Act 2004: network management to support recovery from Covid-19' to deliver their management duty under that Act. Highways Act 1980 Section 41 (Clause 1A) and Section 150 to ensure, so far as is reasonably practicable, that safe passage along a highway.

The Council also has a duty under the Highways Act 1980 to maintain the public highway and the maintenance 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.