APPENDIX 2:

READING BOROUGH COUNCIL

FINANCIAL IMPLICATIONS - HIGHWAY MAINTENANCE & ASSET MANAGEMENT REVENUE BUDGET

HIGHWAY WINTER MAINTENANCE SERVICE (2022/23 - 2027/28)

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	2027/28 £000
Employee costs (see note1)	0	0	0	0	0	0
Other running costs	415	449	457	466	474	483
Capital financings costs	0	0	0	0	0	0
Expenditure	415	449	457	466	474	483
Income from:						
Fees and charges (see note2)	0	0	0	0	0	0
Grant funding (specify)	0	0	0	0	0	0
Other income	0	0	0	0	0	0
Total Income	0	0	0	0	0	0
Net Cost (+)/saving (-)	+415	+449	+457	+466	+474	+483

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	2027/28 £000
Proposed Capital Expenditure: Highway Winter Maintenance Service	0	0	0	0	0	0
Funded by Grant (specify) Section 106 (specify)	0 0	0 0	0 0	0	0 0	0 0
Other services Capital Receipts/Borrowing	0 0 0	0 0 0	0 0	0 0 0	0 0	0 0 0
Total Funding	0	0	0	0	0	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.

It was not possible to compare the successful tenderer's rates as no other contractors submitted a tender. That said, a comprehensive review of the previous contract rates against the new tender rates has been carried out and taken into account inflation and current financial market conditions. Anecdotal evidence suggested that the larger national term contractor surrounding Reading was not interested in tendering solely for a winter maintenance contract and only fulfils this function as it is part of a much larger term contract which they have with the Royal Borough of Windsor & Maidenhead, Wokingham BC and West Berkshire DC.

4. Risk Assessment.

The Borough Council, as Highway Authority, has a duty under the Highways Act 1980 Section 41 (Clause 1A) and Section 150 to ensure, so far as is reasonably practicable, that safe passage along a highway is not endangered by snow or ice. The Winter Service Plan and Term Contract will provide a robust service, ensuring that the Borough's primary and secondary routes are treated to help keep traffic moving safely during the forthcoming winter seasons. Grit bins are also strategically positioned to assist residents on the Borough's steeper minor roads.

If necessary, method statements will be agreed with the Winter Service Contractor to ensure delivery and to minimise disruption that may be caused by the on-going Covid Pandemic.

Increasing fuel costs is and will remain a risk pressure which will need to be managed /monitored throughout the forthcoming winter seasons.