

Bath & North East Somerset Council		
DECISION MAKERS:	Cllr Charles Gerrish, Cabinet Member for Finance and Efficiency Cllr Mark Shelford, Cabinet Member for Transport and Environment	
MEETING/ DECISION DATE:	On or after 4 th January 2019	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3112
TITLE:	Highways Winter Service Fleet Procurement Budget Approval 2019/20	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: N/A		

1 THE ISSUE

- 1.1 This report seeks uplift to the current capital programme and full approval of budget for procurement of Highways Winter Service Fleet Renewal. Due to the lead time for delivery of these specialist vehicles there is a requirement to progress procurement ahead of the normal annual February budget setting procedure.

2 RECOMMENDATION

The Cabinet Members are asked to;

- 2.1 Incorporate a scheme as a fully approved item into the capital programme for full approval, in advance of budget setting to allow procurement to progress.
- 2.2 Agree an uplift of £1,025m to the current capital programme for 2019/20, funded by service supported borrowing, which is managed within existing budgets. This report seeks additionality to the current capital programme.
- 2.3 Fully approve total budget uplift of £1,025m.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The funding will be Service Supported Borrowing (SSB) amounting to £13k in 2019/20, £26k in 2020/21 and £143k p.a. thereafter.
- 3.2 The SSB is funded through existing highways revenue winter transport budgets (LHM20) and therefore does not result in a net revenue cost. Costs are currently incurred on leasing vehicles and the revenue budget will require reallocation from this to SSB budgets.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The funding is required to facilitate the delivery of a statutory highways function.

5 THE REPORT

- 5.1 In order to deliver its statutory highway winter service the Council through its Term Services contracted partner operates a fleet of winter service vehicles typically referred to as 'Gritters'.
- 5.2 The current provision arrangement under the existing contract with Skanska will come to an end after the winter of 2018/19.
- 5.3 In order to ensure the new fleet is in place and operational for the 2019/20 winter season, delivery of the vehicles is planned for September 2019. Due to their specialist nature the build and delivery window is currently 6-9 months from point of ordering.

6 RATIONALE

- 6.1 Under this procurement arrangement the Council will own outright the winter service fleet, the Term Service partner will be contracted to operate and fully maintain the vehicles.
- 6.2 The approach will allow better fleet continuity and will no longer be impacted by highway term contract end or extension considerations.

7 OTHER OPTIONS CONSIDERED

- 7.1 Not to replace – the Winter Service forms part of the statutory duty of the Highway Authority, the winter service fleet is an essential part of the service delivery and would result in service failure if not in place.
- 7.2 Reduce number of vehicles being replaced – 2018/19 Winter Service revenue budget reductions has resulted in the move from 9 to 8 gritting vehicles, further reductions of the fleet will result in not fulfilling adopted Winter Service Policy and impact service resilience during snowfall or prolonged cold spells.
- 7.3 Lease vehicles – leasing these specialist vehicles will be more expensive, as demonstrated through a comparison exercise. Lease terms may not fit with contract renewal arrangements and will limit the ability to prolong fleet usage should condition allow.

8 CONSULTATION

- 8.1 The Cabinet Members, Corporate Director and Section 151 Finance Officer have reviewed and input into this report.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

Contact person	Craig Jackson – Highway Maintenance and Drainage Manager. Tel. 01225 394269 email: craig_jackson@bathnes.gov.uk
Background papers	<i>None</i>
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