

Record of officer decision

Decision title:	To approve the purchase of construction plant replacing the need to hire
Date of decision:	16 December 2022
Decision maker:	Interim Service Director Environment, Highways and Waste, Economy and Environment
Authority for delegated decision:	<p>Funding for this work is covered under the following decision:</p> <p>A cabinet member decision taken on 1 June 2022 to approve capital expenditure to the value of £548k in order to scope, commission and deliver schemes as outlined in this report which includes purchase of highway plant equipment, and necessary works associated with the feasibility, design and implementation of on street parking measures and moving traffic enforcement.</p> <p>Decision - Highway Capital Equipment Expenditure - Herefordshire Council</p>
Ward:	All wards
Consultation:	Consultation of this decision has taken place with the council's finance and legal services teams.
Decision made:	To authorise the purchase of plant to the value of £343,000 that will reduce the on-going cost of hire for such equipment
Reasons for decision:	<p>The hire of plant covered by this document over a five year period is £560,000. The total purchase price is £343,000 giving a payback of just over 3 years.</p> <p>Details of equipment to be purchased:</p> <ul style="list-style-type: none"> • Quantity 2 x Road sweepers • Quantity 2 x 1t high lift dumpers • Quantity 2 x 2.7t Excavators • Quantity 1 x Towable wood chipper <p>The purchase of these items through capitalising plant will not only payback the full cost of borrowing repayments over a short period of time, but it will then release funds within revenue annexes that can be re-invested into the service.</p>
Highlight any associated risks/finance/legal/equality considerations:	<ul style="list-style-type: none"> • Long manufacturer lead time – cost avoidance cannot begin until plant is commissioned and in operation • Purchase price increases since quotes were obtained • Plant not reaching life expectancy • Major breakdown outside 12-month warranty which would be cost pressure
Details of any alternative options considered and rejected:	Not to approve expenditure. This is not recommended as this would result in failure to deliver agreed schemes in accordance with the budget as agreed by full council
Details of any declarations of interest made:	None

Signed..... Date: 16 December 2022