

FLEET MAINTENANCE AND MANAGEMENT SERVICE – AMENDMENT

These pages replace paragraphs 4 (a) (4.1 to 4.6) on pages 94 and 95
The amendments adjust the table at para 4.1 and adds a final paragraph at 4.7

4. Implications

(a) Financial Implications

- 4.1 A summary of the costs and income of the current service and the preferred option are set out below. Detailed costs and income analysis are in Appendix 1.

	Current Service £	Option 1 £
Total Costs	582,470	738,980
Total Income	-550,750	-820,250
Income breakdown		
Shared Waste	0	-339,630
external income	-212,750	-242,780
Other CCC	-338,000	-237,840

- 4.2 The model makes a conservative estimate of the commercial income based on known interested parties. However, this income is not as yet secured. There are restrictions on the total amount of external income that can be generated before EU procurement rules applies. The estimated level of external to local authority based income is well within the 80/20 ratio within which EU procurement is not required.

- 4.3 In addition to the annual operating costs there will be one off costs to establish the service at the new location. These costs are presented at Appendix 1b and below:

	One off Set up Costs £	Additional rental for landlord investment £ per annum
Option 1	63,370	7,800

- 4.4 The cost of retaining an option on the lease of the garage facility in the event of any delay in decision to proceed would be an additional £80,000 for one year.
- 4.5 The landlord would make a capital investment of circa £130k to install an Authorised Testing Facility lane and an MOT bay, this capital investment will be passed on to Cambridge City Council in the form of annual rent for the life of the lease and has been included in the cost appraisal.
- 4.6 A travel to work package for staff will be part of the set up costs and based on method of travel and differential in travel to work distances between home and current work and the new location.
- 4.7 It is anticipated that there will be ongoing revenue savings as a result of expanding the service at the new premise. These will be included as part of the budget report in the January cycle. Capital one off costs will be presented to the Capital Programme Board on 6/10/15 and if approved will be included as an addendum to the Mid-year Financial Review to Strategy & Resources committee on 12/10/15.