



OFFICER DECISION RECORD

This form should be used to record Executive decisions taken by Officers.

Decision Ref. No:			
Service Area:	Customer & Property – Construction Works Team	Date:	14/8/25
Contact Name:	Matti Raudsepp	Tel No:	01202
E-mail:	matti.raudsepp@bcpcouncil.gov.uk		
Subject:	Replacement of Plant - Telehandler		
Decision taken: <p>To meet the urgent plant replacement needs of the Construction Works Team, to dispose of an aging and increasingly unreliable Telehandler, and to purchase a nearly new, suitably specified replacement machine. Additionally, to dispose of 2 excavators and to purchase a single nearly new replacement machine. In both cases, to increase resilience, reduce repairs and maintenance costs and overcome health and safety concerns and to meet the requirements of the service.</p> <p><u>Replacement telehandler:</u> Prudentially borrow up to a maximum of £46,000 to cover the funding gap requirement. The borrowing cost will be a maximum of £17,863 per annum funded from recharges included in works income recharged to customers.</p> <p><u>Replacement excavator:</u> There is no borrowing requirement for the excavator as it can be self-financed through the sale of existing machines.</p> <p>These purchases will be formally reflected in a report to Cabinet in due course, but for reasons of urgency the decision is being made to progress replacement immediately.</p>			
Reasons for the decision: <p>The deterioration in the condition of the existing 10 year old Telehandler creates risks for safe operation, along with its lack of modern health and safety features and insufficient reach (to provide access to higher level buildings). This means that it is no longer fit for purpose or reliable.</p> <p>The existing excavators are either increasingly subject to costly repairs and maintenance, or no longer suitable for the pipeline of work coming forward for CWT.</p>			

Whilst a report is scheduled for Cabinet and Audit & Governance committees to cover the wider fleet and plant requirements for the in-house repairs and maintenance, and constructions teams, it is necessary to progress the specific procurement of a Telehandler and Excavator more quickly due to concerns around the current machines' condition and/or suitability.

This decision will be taken under urgency powers provided in the constitution.

Background:

CWT's plant and machinery requirements can vary significantly according to the type and scale of construction and refurbishment works being undertaken. The work carried out by CWT can range from refurbishments to new housing building, and from relatively smaller value work to multi million pound projects. This can result in the need to change plant and machinery from time to time to ensure it is fit for purpose, as well as the need to replace aging, unreliable machines.

A telehandler is a common piece of construction plant, used to load/unload materials and move materials around a site, and onto buildings as they are being constructed. It will be used on most construction contracts to one extent or another and CWT use one on a daily basis.



CWT's existing Telehandler is now 10 years old and its condition results in frequent maintenance and repair. It does not possess stabilisers that allow for safer working on uneven ground, and has become insufficiently reliable to be used safely on the highway. Its replacement is now considered urgent to support forthcoming work commitments and to resolve concerns over its reliability and safety.

CWT currently operates 2 excavators (15 & 9 tonnes). The larger machine has completed the work for which it was purchased and can be sold with very little depreciation. The smaller 9 tonne machine has become increasingly costly to repair and maintain and is now due for replacement. It is therefore intended to dispose of both machines and invest in a nearly new 9 tonne machine (similar to that shown below) which can accommodate anticipated future workload. It is expected that this disposal and acquisition will be self-financing without need for borrowing.



Two options to address the position were considered:

Option 1 – Temporary Hire

Temporary hire comes with increased costs as no capital gain is received from the expenditure. The cost per month will also be greater than the borrowing repayment, even for a negotiated long-term hire. The specification of hire machines does not always meet the particular requirements of the service, thereby presenting a sub optional and expensive solution.

Option 2 –Purchase of nearly new machine - RECOMMENDED OPTION

Recommended option mitigating some of the risk of long lead times and cost of a new machine, ensuring a capital gain from expenditure and that the right machine can be procured for long term use. It is anticipated a purchased nearly new machines would have a life of approximately 9 years before needing replacement.

Machines purchased will go through a PDR process to ensure best value.

Consultations undertaken:

Finance (Matt Filmer)

Finance (Anna Fresolone)

Note: It is the responsibility of the ‘Responsible Officer’ – that is the Officer making the decision – to obtain the comments and signature of the Chief Finance Officer and Monitoring Officer **before** taking the decision and then send the completed record of the decision to Democratic Services for publication.

Finance and Resourcing Implications:

The table below shows an estimated range of cost and re-sale value which can only be confirmed once disposal and acquisition take place.

Telehandler replacement	Current Telehandler Re-sale Value	Two Year Old Telehandler Low Hours Cost	Maximum Prudential Borrowing Requirement	Interest Over Three Years	Annual Repayment including principal
	£24,000	£60-70,000	£46,000	£7,590	£17,863

Excavator replacement	Resale Value of Current Plant	Cost of low usage 15 Tonne Cat	Maximum Prudential Borrowing Requirement	Interest Over Three Years	Annual Repayment
	£70-75,000	£70-75,000	0	0	0

Funding identified: The funding gap for the telehandler will be covered with prudential borrowing estimated to be maximum £46,000. The annual cost calculated using the BCP low risk interest rate of 5.5% over 3 years will be £17,863 maximum. The borrowing cost will be repaid through recharges included within works income.

The replacement of the excavators will be self-financing with the proceeds from the sale of two excavators covering the purchase cost of one newer excavator.

Financial risks: Should the Construction Works Team not have enough works demand to cover the cost/use of the plant, CWT would need to resell the equipment to pay off the debt.

Value for Money assessment: A suitable hired Telehandler is anticipated to cost £22-25k for 12 months on a spot hire basis. A suitable 9 tonne hired excavator would cost approximately the same. Consequently, purchase represents better value for money over the anticipated lifespan of the machine of approximately 9 years

VAT implications: none

Name: Adam Richens

Date: 19/08/2025

Signature (of Chief Finance Officer):



Legal Implications: [LEGAL SERVICES TO COMPLETE](#)

Due to the urgency for replacing the Telehandler, this decision is taken in accordance with Part 3 (Responsibility for Functions), Delegations to Chief Officers, line 68 in the revised Constitution. This decision will be reported to Council at the next available meeting.

Consideration in particular has been given to the references to health and safety risks if the recommendation cannot be followed. Such factors must be balanced against the nature of an urgent decision and appear to have been appropriately.

Name: Janie Berry

Date: 22/08/2025

Signature (of Monitoring Officer):



Risk Assessment:

If the change is not made the following risks are possible:

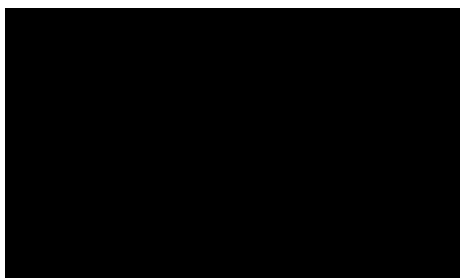
The current Telehandler is 10 years old and had become increasingly unreliable, with tracking issues that result in erratic operation, and a lack of more modern features that support safe operation. Further delay in procuring its replacement extends the risks of machine failure, potentially impacting project delivery and/or increasing health and safety risks to the operator. The service Health and Safety Manager has highlighted concerns over maintaining the current machine without significant investment..

The 15 tonne excavator has completed the work for which it was acquired, and it is unlikely to be suitable for forthcoming works. Retaining it will incur cost and depreciation. The existing 9 tonne machine is increasingly subject to expensive repairs and maintenance, which also risk it being unavailable when needed on site.

Name: Matti Raudsepp

Date: 19/8/25

Signature (of Officer Completing Assessment):



Impact Assessments:

Note:

-

Information for publication / not for publication

Note:

- This information can be public.

Background Papers

None

Any declaration of interest by the
Officer responsible for the decision

Nature of Interest

No

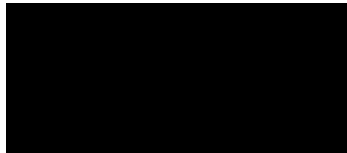
N/A

Note: No Officer having an personal financial interest in any matter should take a decision on that matter. Other interests of a non-disqualifying matter should be recorded here.

Any conflict of
interest declared by
a Cabinet
Member who is
consulted by the
Officer taking the
decisionName of
Cabinet
MemberNature of
interestDetails of any
dispensation
granted by the
Monitoring
Officer

No

Decision taken by: (print name and designation) Glynn Barton (delegated powers of Chief Executive)

Signature:**Chief Executive****Date of Decision: 27.08.25****Date Decision Effective: 27.08.25**

Date of Publication of record of decision: (to be inserted by Democratic Services)

Note: A record of this decision should be kept by the Service Area within which the decision falls.